

Tennessee: Creative Economic Development
Tourism, Transportation & Tech

Innovation, Technology, and Entrepreneurs
Drivers of Tennessee's Economy

Three's Company
Team Tennessee Delivers

Tennessee Valley Authority
Built for People; Highly Invested in Economic Development

Shipping with Planes, Trains, and Making
Automobiles in Tennessee
Tennessee Mobility Moves the World

Traveling the Trails of Tennessee's Tourism
The Soundtrack of America. Made in Tennessee. Takin' It Outside.



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TO EVERY ECONOMIC DEVELOPER

WHO **SUFFERED** BIG LOSSES AND
WON SMALL VICTORIES
WHO HAD TO **BACKBURNER** PLANS
WHO **LEARNED** NEW WAYS TO WORK
WHO **REIMAGINED** HOW TO COMMUNICATE
WHO **BUILT** UNTRADITIONAL PARTNERSHIPS
WE **APPLAUD** YOUR RESILIENCY THIS PAST YEAR
THERE IS LIGHT AHEAD. #ECONDEVSTRONG





Tom Kucharski, CEcD
IEDC Chair of the Board of
Directors

LETTER FROM THE CHAIR

To My Fellow Economic Development Professionals,

This October, the International Economic Development Council will host the 2021 Annual Conference in Nashville, Tennessee. This edition of the Economic Development Journal features many great examples of why the Nashville region is a perfect location for our largest annual gathering. Our colleagues in Nashville have been hard at work putting together a program, roster of speakers, and selection of tours and off-site events that are consistent with the highest quality conferences that we have come to expect from IEDC.

What is the story of Nashville? For one, it's the transformation of a locality in a traditionally agrarian economy to a regional growth hub with a focus on tourism, transportation and tech.

Tourism has redefined the state's identity, brand and brashness. For example, Nashville's country music, as well as blues and bluegrass; whiskey, moonshine and local breweries; and ecotourism have been innovative tourism drivers.

Transportation has realigned the state's capability to move goods and services...fast. Tennessee's prime geographic location, central to the nation's major interstates and air travel, has benefitted the state as a mecca for large-industry distribution. Amazon's presence has been a gamechanger. Sectors of the transportation industry itself have made Tennessee home to their automotive and auto parts creation, with power players such as DENSO, Nissan North America, Toyota, Mitsubishi and Volkswagen building plants that crisscross the state.

Technological Innovation has made Tennessee a destination and hotbed for some of the most innovative R&D startups and companies driven by national laboratories, such as those in Oak Ridge that "opened up" after WWII. Now Nashville is home to a large health care industry, biomass companies and a thriving entrepreneurial sector.

The conference takes place in a remarkable year when following the availability of a COVID-19 vaccine, much of the economy is reopening. We must strive to build back better: to help our businesses be more equipped with tools for resilience including e-commerce, supply chain and business continuity strategies; and reskill and upskill our workforce to be more prepared for economic dislocations brought on by economic shocks as well as automation.

Meanwhile, we will pursue with intention a pathway to recovery that is equitable. People of color and women that own businesses and that participate in the workforce have been hurt disproportionately by the economic recession brought on by COVID-19. We must pursue policies and programs to help women and businesses of color realize their wealth potential which lifts up our local economies.

As economic developers, we cannot go through these unprecedeted times in silos and isolation. We have to connect with each other, learn from each other, and support each other. I encourage you all to visit iedconline.org to learn more about the conference and to register.

Thank you for all that you're doing on behalf of your communities. Stay healthy and safe!

Sincerely,

Tom Kucharski, CEcD
IEDC Chair of the Board of Directors and President and CEO
Invest Buffalo Niagara

The IEDC Economic Development Journal

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Tennessee's landscape offers three unique regions, but the Grand Divisions have plenty in common and serve as points of pride, not division, for the Volunteer State. The state is divided relatively evenly into West, Middle and East divisions, but the unity and state pride found throughout Tennessee make these distinctive regions undetectable to someone who might explore the nation's sixteenth state.

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The mission of the Tennessee Valley Authority (TVA), under the TVA Act of 1933, was to provide its mainly rural seven-state area with low cost, reliable power; increase prosperity; and serve as an environmental steward. Now, as the nation's third largest electricity generator, its mission of service remains forward-thinking.

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Tennessee's strategic location in the U.S., central to the nation's major interstates and air travel, has elevated the state's status for large-industry distribution. Industries of all sizes favor Tennessee's plentiful labor force and business-friendly tax structure. These combined factors help ensure the state's capacity to rapidly make and move goods, supplying the world with the products it needs.

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Tennessee's tourism business, the state's second largest industry, attracted \$23 billion in domestic and international travel spending, generating more jobs than any other industry in 2019. It outpaces the nation in all areas of travel, including tax revenue, expenditures, payroll and employment. The state's branded tourism campaigns reflect the Trails philosophy: designated Music Trails, newly formed Tennessee Whiskey Trails and adventure tourism and eco-tourism on Outdoor Trails.

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INTERNATIONAL
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tennessee: creative ECONOMIC DEVELOPMENT

By Bryan Daniels, CEcD, IOM, CCE and Lisa Hood Skinner

Bryan Daniels, CEcD, IOM, CCE is President of the Tennessee Economic Development Council and President and CEO of Blount Partnership (bdaniels@blountpartnership.com).

Lisa Hood Skinner is a Writer/Editor/Consultant to Blount Partnership (lisaskinner58@hotmail.com).

It's been nothing short of a transformation for traditionally agrarian Tennessee. For decades, the state relied on the cash crops of agriculture.

But the winds of change blew through fields and farmlands, infusing new, more diverse economic realities that energized the state. Tennessee began turning away from its once heavily focused agricultural emphasis and fully embraced multi-faceted **tourism**, **transportation**-fueled industries and impressive R&D/**technology**-centered ecosystems.

These three seemingly diverse sources of income merge with other sectors to produce impressive economic dividends: the Tennessee state budget is run with a solid surplus, rather than at a deficit as in some states.

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Tennessee began turning away from its once heavily focused agricultural emphasis and fully embraced multi-faceted **tourism**, **transportation**-fueled industries and impressive R&D/**technology**-centered ecosystems.

The state and local tax burdens in Tennessee are among the lowest in the country; Tennessee has been ranked #1 in the U.S. for the lowest state debt per capita. It's also ranked highly for global access and infrastructure. And *Inc. Magazine* named IEDC's host city Nashville as the #4 best place to start a business in America.

TRANSFORMATIVE TOURISM

Through a series of successive campaigns, targeted marketing and other funded strategies, the state transformed stereotypes of hillbillies, banjos and illegal moonshine into positive imagery surrounding craft products, legacy music and innovation, converting them into revenue generators. The phrase "Made in Tennessee" is known internationally, representing the high-quality craftsmanship and artisan strength of the state's workforce, whether it's making Jack Daniel's Old No.7 Brand in Lynchburg, or making music that's embraced all around the world.

Through the years, the Tennessee Department of Tourist Development's colorful campaigns played a key role in helping redefine the state's identity and



TOP 5 TENNESSEE COUNTIES FOR TOURISM

DAVIDSON | SHELBY | SEVIER | KNOX | HAMILTON

- Tourism is Tennessee's No. 2 industry (agriculture takes the top spot).
- Every Tennessee county received more than \$1 million in tourist spending.
- In 2019, travel generated over \$75 million in new state tax dollars, approximately half of which directly supports public education.
- Travel-generated tax revenue reduces the average Tennessee household's state & local tax burden by \$748 annually.

Source: Tennessee Dept. of Tourist Development 2019 Economic Impact of Travel on Tennessee, August 2020.

TOURISM, TRANSPORTATION & TECH

The state of Tennessee made an important shift decades ago from its heavily agrarian roots to a transformative emphasis on three diverse income sources: tourism, transportation and technology. As a result, select forms of **tourism** flourished during COVID-19, with Tennessee's numerous parks, rivers, lakes and the Great Smoky Mountains serving up an abundance of outdoor destinations. The state's **transportation** sector is flourishing, with shipping and fulfillment giants Federal Express and Amazon rapidly expanding across Tennessee. Additionally, with a diverse array of **technology** sectors, including the production/promotion of electric vehicles, the state claims 40 percent of the Southeast's electric vehicle (EV) industry, ranking #1 in the Southeast for electric vehicle manufacturing.

topographic diversity. Most recently, it designated and marketed branded trails for tourists to explore from its west to east borders: Music Trails, Whiskey Trails and outdoor Adventure Trails. Available via paper passports, downloadable versions and various apps, these trails showcase some of Tennessee's most exciting, profitable and diverse destinations for tourists to visit.

In fact, Tennessee's diverse geography was a partial saving grace for tourism during the COVID-19 pandemic. Tourists who normally might crowd into the densely populated cities and destinations now were flocking to social isolation/recreation in the state's mountains, wildlife areas and numerous lakes and waterways. In mid-2020, state officials said that lodging occupancy rates in East Tennessee were out-performing Nashville, Memphis and the state as a whole, due in part to the eastern region's outdoor alternatives.

As the state's second largest industry, following agriculture, Tennessee's tourism industry reached its 10th consecutive year of record growth in 2019, attracting \$23 billion in domestic and international travel spending, according to August 2020 numbers released by the U.S. Travel Association.

Music Trails: The Soundtrack of America

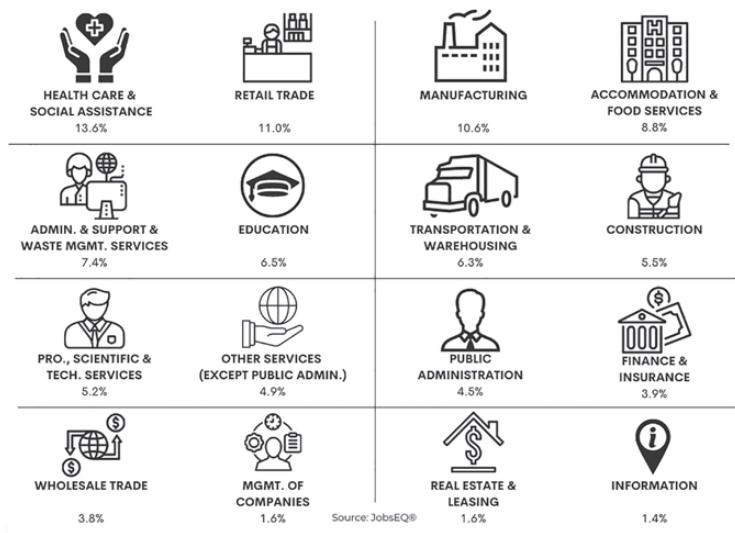
Visitors on the newly developed Music Trails travel down these pathways at their own pace, visiting sites connected with diverse musical genres. For example, in western Tennessee, they can make an evening visit to the sultry Memphis blues clubs on Beale Street, and the next day pay homage to the King of Rock and Roll at Elvis Presley's Graceland home.

In the middle of the state, trails leading to and through Nashville feature an impressive array of museums, clubs and historic buildings linked to the lively country music scene, such as the Ryman Auditorium, Grand Ole Opry and Bluebird Café. And in East Tennessee, rowdy Appalachian bluegrass bands entertain crowds in Gatlinburg, Bristol, Knoxville and various parts of the Smokies, capturing the legacy of the hills and hollows located there.

TENNESSEE DEMOGRAPHIC SNAPSHOT



EMPLOYMENT BY INDUSTRY



In the IEDC sessions, conference attendees will hear how Tennessee further commercialized and diversified its entertainment industry, worked to design colorful pathways to statewide musical attractions and wooed key media companies to locate a solid business presence in the state – from media mogul Scripps Networks Interactive to Sony/ATV, the world's largest music publishing company.

Whiskey Trails: Made in Tennessee

A simple change in Tennessee law in 2009 opened the door for the burgeoning Tennessee Distillers Guild and their resulting Tennessee Whiskey Trail launch. Entrepreneurs across the state started making spirits, and the distiller's guild was formed in 2014 to help market and showcase their products.

The very next year, Tennessee distillers exported \$691 million in spirits, ranking as one of the state's top exports and over half of our nation's spirits exports. The idea of a cohesive trail connecting the two dozen members grew, and in 2017, the trail became a reality.

Today, the Tennessee Whiskey Trail attracts an impressive following of tourists, estimated at 6.6 million yearly, who visit the state's growing number of distilleries, legal moonshine makers and homegrown craft and local breweries.

With 27 registered distilleries and 32 stops across the state, visitors are treated to a variety of programs ranging from distilling demonstrations, to free tastings, to complementary musical entertainment.

Outdoor Adventure Trails: Discover Tennessee Trails and Byways

Adventure tourism, ecotourism and elements of cultural tourism have naturally risen from the state's immense assets of navigable waterways, sparkling lakes, towering mountains and numerous wildlife areas.

The Tennessee Trails & Byways Program provides visitors with 16 scenic self-driving routes winding through the state's 95 counties. It features a variety of suggestions on each journey, such as places to buy locally-grown food, the best routes for a quiet canoe ride, or (on the opposite end of the scale) where to find whitewater rafting.

The Byways' roadside attractions, pick-your-own produce farms and corn mazes are testimony to Tennessee's growing sector of agritainment and farm-linked recreation, which was a nearly \$1 billion business in Tennessee in 2017.

TRANSPORTATION/LOGISTIC'S WORLDWIDE INVESTMENT AND REACH

Tennessee's highly-developed transportation infrastructure has realigned the state's capability to rapidly move people and goods. The state's prime geographic location, central to the nation's major interstates and air travel, has benefitted the state as a mecca for large-industry distribution.

According to the University of Tennessee's Economic Report to the Governor of the State of Tennessee, released in December 2020, Tennessee exported more than \$31 billion worth of merchandise to other countries in 2019, with the state's largest export product as transportation equipment, accounting for \$6 billion in international sales,

Sectors of the transportation industry itself have made Tennessee home to their automotive and auto parts manufacturing, with heavyweight automakers Nissan North America, GM and power players such as DENSO and Toyota occupying and expanding facilities that crisscross the state.

The state is ranked #1 in the Southeast for automotive employment, and according to Bob Rolfe, commissioner of the Tennessee Department of Economic and Community Development, Tennessee is poised to fulfill

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its goal as the top electric vehicle (EV) producer in the U.S. In late 2020, Rolfe said Tennessee is on the brink of becoming the only state with three major automakers turning out high-profile EVs.

Ironically, the winding twists of a former Circle 8 stock car track proved to be a lucky beginning of Tennessee's dominance in the automaking industry. Forty years ago, when Nissan Motor Manufacturing Corporation broke ground at the old Smyrna racetrack, it became the birthing ground of Tennessee's now-thriving automaking industry and decades later in 2013, spawned the state's first all-electric car, the Nissan LEAF.

Tennessee Valley Authority Assists EV Efforts

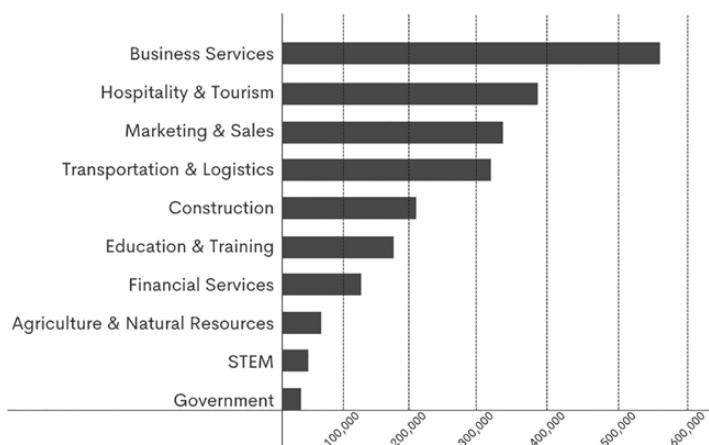
The Tennessee Valley Authority (TVA), the largest public power provider in the U.S., is also assisting the state's efforts for the future of EVs. Over the years, TVA's economic development division has evolved into a comprehensive program with diverse offerings such as technical services, product development and research and project management to support communities and attract corporate investment.

In late November 2020, TVA's Board of Directors developed a new commercial rate structure to support EV charging stations across the state, taking a big step to encourage more electric vehicles on Tennessee's highways. The importance of this decision allows TVA's 153 local power companies to easily provide fast charging and the possibility of private companies to resell power at the fast chargers they own and operate.

Drew Frye, program manager for TVA's Electric Vehicles Evolution Initiative, said this series of events "opens the door to the development of more rapid charging stations across TVA's service area. So-called 'range anxiety' prevents many consumers from even considering EVs today, so a more robust network is key to providing assurance to consumers that they will have access to fast charging when and where they need it while on the road."

TVA officials estimated there are around 13,000 electric cars in the Tennessee Valley today and predicted electric SUVs and pickup trucks will keep those numbers growing. Looking to the future, the state has launched the Drive Electric Tennessee initiative with a major goal of having 200,000 EVs on Tennessee's roads

TENNESSEE TOP EMPLOYMENT CLUSTERS



Source: JobsEQ® Data as of 2020Q3. Demand data reflect place-of-work employment.

by 2028.

TVA's program manager in Commercial Energy Solutions, Travis Reid, said the state's EV initiative aligns with TVA's emphasis on environmental stewardship, energy and economic development. "A lot of times, we like to talk about how, at TVA's inception, we electrified farms around the Valley," he said. "Here we are, nearly a century later, making preparations to electrify transportation."

TECHNOLOGY: CREATION, INNOVATION AND LOCATION

Technological innovation has made Tennessee a destination and hotbed for some of the most innovative R&D startups and companies in the world. The entrepreneurial spirit is strong throughout the state, appreciative of the relatively low cost of living and assisted by the lack of personal state income tax on wages.

Healthcare Innovations: Nashville Hub

Nashville's impressive hub of healthcare companies has contributed to the diversity of healthcare tech R&D across the state, propelling new companies to produce everything from groundbreaking surgical equipment, to innovative pharmaceuticals manufacturing, to new pathways in proton therapy. For decades, Nashville's healthcare legends Community Health Systems, Hospital Corporation of America and others have engendered statewide innovative thinking towards patient-centric care delivery and the evolving art of practicing modern medicine.

National Labs: Statewide Impact, Worldwide Reach

For decades, new companies and startups have been gleaning talent from Tennessee's world-renowned Oak Ridge National Laboratory that "opened up" after WWII, transferring technology and opportunity to researchers, engineers and entrepreneurs who create companies based on the latest ideas, apps and products.

Oak Ridge, well-known for its ground-breaking nuclear reactor and isotope research, now has spawned contributions as diverse as the world's fastest computer and the gold standard of instrumentation in space-age technology.

A new standard of entrepreneurial innovation is being set by these talented scientists through Oak Ridge National Laboratory, and research and educational branches of the

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A new standard of entrepreneurial innovation is being set by these talented scientists through Oak Ridge National Laboratory, and research and educational branches of the statewide system of the University of Tennessee. Today, both entities drive significant breakthroughs in sectors including high speed computing, 3D printing and manufacturing, energy and agtech solutions.

statewide system of the University of Tennessee. Today, both entities drive significant breakthroughs in sectors including high speed computing, 3D printing and manufacturing, energy and agtech solutions.

Agricultural Startups: No Longer "Down on the Farm"

As a part of the influences described here and others, Tennessee's agricultural-linked entrepreneurial startups are embracing technology in diverse areas including biomass solutions, sustainable agricultural fiber products and even once-controversial/now legal areas, such as hemp-related businesses linked with cannabidiol companies.

In 2018, farming operations occupied about 10.8 million acres in Tennessee, around 40 percent of the state's nearly 27 million acres of land area. Agriculture, with multiplier effects, accounted for 8.1 percent of the state's economy and generated \$58.9 billion in output, adding close to 255,000 jobs, with over 95,000 employed (both full- and part-time) directly in agricultural production.

Just under half of the state's farmland is operated as cropland, with Tennessee's four largest row crops being corn, cotton, soybeans and wheat. Based on 2019 national cash receipts by commodity, Tennessee ranks 17th in U.S. corn production, 9th in cotton, 16th in soybeans and 18th in wheat. Animals and animal products accounted for 37 percent of Tennessee's agricultural receipts in 2019.

NASHVILLE: THE MUSIC CITY

These are just some of the reasons IEDC picked Tennessee as the host state for the Fall 2021 Annual Conference and Nashville as the host city. Nashville's nickname, "The Music City," and designation as the "Country Music Capital of the World," almost immediately evokes the sounds and images of its Grand Ole Opry and Ryman Auditorium – proudly steeped in tradition, but now with a hip, new vibe.

Nashville, as the political and economic center of the state (as well as being located in the middle Tennessee region), is easy for conference attendees to get to: geographically, Nashville is one of only six cities where three interstates connect; with more than 40% of the US population living within 600 miles of this capital city.

Nashville offers a vibrant insider's look at an exciting city that reflects a good bit of the current statewide attitudes toward creative economic development, new business creation, R&D and entrepreneurial technology aided by a highly developed transportation infrastructure.

Boasting a population of around 2 million people, it's seen as one of the fastest growing large cities in the nation. From 2015-2018, the Nashville metropolitan area's net population growth rate exceeded 5.5% and added more than 100,000 people in that time period.

SESSIONS PREVIEW: BEST PRACTICES

Nashville offers a vibrant insider's look at an exciting city that reflects a good bit of the current statewide attitudes toward creative economic development, new business creation, R&D and entrepreneurial technology aided by a highly developed transportation infrastructure.

The conference program offers IEDC attendees a solid variety of best practices and ideas in tourism, transportation and tech that easily can be transferable to other regions, states and countries. They'll learn how Tennessee's economic development professionals,

dubbed "Team Tennessee," all work together collaboratively, recruiting and pitching to produce "wins" not only within their individual geographic boundaries but also for the good of the entire state.

Through these sessions and others, conference attendees will come to realize that Tennessee's metamorphosis from traditionally agrarian is truly transformational. That transforming spirit of innovation – that mindset of reaching for new solutions and searching for new products to deliver them – that's the entrepreneurial spirit that's growing statewide, multiplying by leaps and bounds.

Welcome to Tennessee. Welcome to Nashville. ☺

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innovation, technology, AND ENTREPRENEURS

By Charles Wood, CEcD

Charles Wood, CEcD, is Vice President of economic development, Chattanooga Area Chamber of Commerce. (cwood@Chattanoogachamber.com).

Innovation and technology have been driving forces in Tennessee's rise as an economic powerhouse in the South. The foundation for this is a level of creativity and risktaking that most people think of related to the success of the state's music industry but is equally as strong in our business sector. This growth has occurred across Tennessee's three regions, each of which have built strategic advantages in target industries as well as extensive rosters of entrepreneurs that are building innovative, technology-driven companies.

The three distinct regions of the state, historically known as the "Grand Divisions," include West Tennessee, anchored by Memphis, the state's second largest city and home to the headquarters of Federal Express and AutoZone. Middle Tennessee's primary economic center is Nashville, Tennessee's largest city and the center of thriving medical and music industries. And finally, East Tennessee is home to Tennessee's third and fourth-largest cities, Knoxville and Chattanooga. These cities collectively make up what is referred to as "the big four."

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WEST TENNESSEE

West Tennessee's primary economic hub is Memphis. A historic city on the Mississippi River, Memphis is home to one of Tennessee's entrepreneurial legends, Fred Smith, the founder of Federal Express. Based on a research paper he wrote in college, Fred Smith officially launched the company in 1973 when 14 small aircraft took off from Memphis International Airport to deliver 186 packages to 25 cities. Prior to this, air cargo was heavily reliant on passenger airlines. Fred Smith's innovative idea for a new business model changed the global logistics industry forever.

Once launched, Federal Express lobbied for air cargo deregulation, which allowed the company to use larger aircraft leading to significant growth. By 1983, the company was the first U.S. company to exceed \$1 billion in annual revenue in less than ten years without mergers or acquisitions. Today the company has more than 11,000 employees in Memphis and more than 500,000 globally, making it the largest company in Tennessee, but more importantly, Federal Express changed the way the world does business.

DRIVERS OF TENNESSEE'S ECONOMY

This article focuses on the growth drivers of Tennessee's three regions and four major metropolitan areas, as well as identifies critical components to the state's entrepreneurial ecosystem that have been created to support and expand startup efforts at the regional and state levels.

To fully fund this effort, EPIcenter spearheaded a 10-year, \$100 million fundraising initiative to support its entrepreneurial efforts from 2015 to 2025. To date the organization has raised more than \$65 million for entrepreneurial efforts, including the creation of a locally focused venture fund, small business loan pool, and program and operational funding that will help sustain EPIcenter's mission. The significant level of financial support also has increased the engagement of the Memphis business community, with major corporate partners playing an increased role in the startup ecosystem.

And while Federal Express has had a tremendous impact on the West Tennessee region, Memphis has continued to focus on building its entrepreneurial ecosystem. In 2014, the Memphis Chamber of Commerce's Chairman's Circle launched EPIcenter as the hub of entrepreneurship for the Memphis region. The organization has taken an aggressive approach in ecosystem building with the goal of serving 1,000 local entrepreneurs and starting 500 new businesses.

EPIcenter works with several partners to deploy accelerator programs focused on target industry sectors including logistics, agtech and medical devices. The organization is highly focused on Memphis' diverse population and has developed key performance indicators with a target date of 2025, including assembling 500 mentors/executives-in-residence, the creation of 3,000 startup jobs, increasing patent applications by three times and providing support for a portfolio of companies built by founders who mirror the demographics of the city.

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MIDDLE TENNESSEE

Nashville is the economic center of the state as well as the middle Tennessee region. With a population of approximately 2 million, Nashville is both the economic and political capital of the state and is one of the fastest growing large cities in the U.S. To put that in per-

spective, from 2015 to 2018 the Nashville metropolitan area's net population growth rate exceeded 5.5%, adding more than 100,000 people in that timeframe.

Over the last decade, Nashville has become a destination for headquarters and back office locations. Recent additions to the metropolitan area include the North American headquarters for Bridgestone and Mitsubishi. And the city has attracted back office operations of Lyft, Phillips, AllianceBernstein and Amazon. These corporate location decisions have built upon Nashville's reputation as the Music City and a new facet to the region's economy.

COUNTRY MUSIC CAPITAL, HEALTHCARE SECTOR GROWTH

Nashville is known as the country music capital of the world and has derived significant benefits from its music industry both in terms of national exposure as well as drawing talent from across the country. However, the music industry often overshadows Nashville's healthcare industry, which has proven to be the capital city's most fertile ground for entrepreneurial success.

The healthcare sector's growth started in 1968 when Hospital Corporation of America (HCA) was founded in Nashville by Dr. Thomas Frist Sr., Dr. Thomas Frist, Jr. and Jack Massey. Their vision was to create a company with the "scale, resources and clinical expertise to provide care focused on the patient." Today, the company has more than 180 hospitals and 2,000 sites across 21 states as well as the United Kingdom. HCA employs more than 280,000 people, including nearly 100,000 nurses and 47,000 active and affiliated physicians.

HCA's success served as a foundation for continued growth in Nashville's health and medical sector. In fact, the Nashville Healthcare Council publishes a "Family Tree" which outlines the interconnectivity of the city's healthcare sector and identifies more than 750 companies created in the sector, including more than 150 companies with ties back to HCA. Today, Nashville is home to 18 publicly-traded healthcare companies and is continuing to see significant growth in the sector.

This success laid the groundwork for the transition from growth in the health services sector to the health IT sector. According to Healthcare Innovation Group, more than \$940 million in venture capital was invested in Nashville healthcare companies between 2005 and 2015, and venture capital investments in healthcare IT

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And while the healthcare and health IT sectors are a dominant part of Nashville's economy, the sector also stretches across the state. Each of the big four cities are home to growing medical device, healthcare and health IT companies. And many of those companies have ties back to the Nashville region either through customers, venture investments or strategic partners.

firms grew from \$2 million in 2009 to \$62 million in 2014. This culminated in 2019 with an initial public offering (IPO) for Change Healthcare, Nashville's largest health-tech company which raised almost \$1 billion from its IPO, as well as the Smile Direct Club, which raised almost \$9 billion.

And while the healthcare and health IT sectors are a dominant part of Nashville's economy, the sector also stretches across the state. Each of the big four cities are home to growing medical device, healthcare and health IT companies. And many of those companies have ties back to the Nashville region either through customers, venture investments or strategic partners. This includes companies like Memphis-based Medtronic, one of the largest medical device manufacturers in the world, and Chattanooga-based MediTract, a major software provider for the healthcare industry.

EAST TENNESSEE

East Tennessee is home to the state's third and fourth-largest cities, Knoxville and Chattanooga respectively. While the two metropolitan areas are substantially smaller than Memphis and Nashville, they have played an outsized role in innovation and entrepreneurship. The Knoxville 11-county metro has a population of approximately one million people, but more importantly is home to two significant entities that impact the state's innovation-led economic development efforts, Oak Ridge National Laboratory (ORNL) and the University of Tennessee (UT).

UNIVERSITY OF TENNESSEE, OAK RIDGE NATIONAL LABORATORY

Historically, both UT and ORNL have played huge roles in the economic development of East Tennessee as well as the state as a whole. Today both entities are driving significant innovation in multiple sectors including energy, 3D printing/additive manufacturing, high speed computing and agtech solutions.

One of the more recent agtech success stories that is tied to the University of Tennessee in Knoxville is Genera Energy, Inc. In 2019, Genera secured \$118 million in venture investment to develop a manufacturing facil-

ity to produce its Earthable® agricultural fiber-based paper and packaging products. These products are used to produce food containers and tissues, many of which are currently made of plastics and Styrofoam. The new facility is under construction in Vonore, Tennessee and will be leased from a subsidiary of the University of Tennessee Research Foundation.

The agtech sector has seen increased ecosystem support through a partnership between the Knoxville Entrepreneur Center and Memphis-based AgLaunch. The two entities partnered on the 2020 edition of "AgLaunch Bootcamp" as well as a mentor and farmer network. Both programs are designed to provide feedback and support to entrepreneurs that are focused on the agtech sector in an effort to help launch and grow more startups like Genera Energy.

CHATTANOOGA'S ACTIVE STARTUP SCENE

East Tennessee's next biggest city is Chattanooga, home to one of the state's most active startup scenes. Chattanooga is well known for its transition from a "rustbelt" city in the south to an outdoor recreational hub, but has also become attractive as a thriving startup city due in part to its citywide fiber optic infrastructure known as "the Gig". A ubiquitous fiber network, the Gig was deployed by the Electric Power Board of Chattanooga and was recently credited with generating \$2.69 billion in economic impact over the last ten years.

The impact of the fiber infrastructure has played heavily into the city's past entrepreneurial success. However, in 2020 and early 2021 it also allowed the city to build a reputation as a top city to work from remotely. Both PCMag and Forbes ranked Chattanooga the number one city for remote workers to move to, and this is expected to have a heightened impact on recruiting new entrepreneurs to the community.

Chattanooga has a legacy as a logistics center, including two class one railroads and three interstate highways. This infrastructure was key to the establishment of several logistics-related companies including two publicly-traded trucking companies, USXpress and

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Covenant Transport. Chattanooga also is home to Ken-co, one of the largest third-party logistics companies in the U.S., as well as dozens of other trucking and warehousing companies.

This legacy helped lay the foundation for a thriving logistics-tech sector, which has made it a critical part of Freight Alley. The sector saw significant capital infusion from the sale of the freight brokerage company Access America to Chicago-based Coyote Logistics, which later sold to UPS and resulted in the creation of Dynamo, an \$18 million venture fund focused on the logistics sector. To date, Dynamo has invested in more than two dozen companies around the world.

Additionally, executives from Access America have since formed two of Chattanooga's fastest growing private companies, Steam Logistics, an international freight broker, and Reliance, a logistics-focused insurance company, both of which have been listed in the INC500.

Furthering Chattanooga's logistics sector have been two other venture-backed companies, Freightwaves and Bellhop. Freightwaves is focused on data analytics as well as media for the logistics industry and has successfully raised more than \$75 million in venture funding over the last two years. Bellhop is disrupting the moving industry with a gig economy model and has raised close to \$60 million in venture funding. These companies and several others are at the cutting edge of the supply chain and logistics industries, and have significant potential to drive innovation in Tennessee for decades to come.

TENNESSEE'S ENTREPRENEURIAL ECOSYSTEM

Tennessee has been fortunate to have entrepreneurial trailblazers like Fred Smith and Dr. Thomas Frist. But it also has built a strong entrepreneurial ecosystem across the state to support the next generation of entrepreneurs. At the center of this is Launch Tennessee, a public-private partnership focused on empowering Tennessee's entrepreneurial ecosystem.

LAUNCH TENNESSEE

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Launch Tennessee's system includes their network partners across the state like EPIcenter in Memphis, Co.Lab in Chattanooga, the Knoxville Entrepreneur Center and many others. Launch Tennessee's network partners provide critical support services including running accelerator programs, hosting 24-hour launch events and building mentorship networks to support early stage companies.

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These partners serve as "boots on the ground" in communities across the state, providing a front door for entrepreneurs. They also operate as connectors in their community, but leverage the statewide reach of Launch Tennessee to provide access to individuals and resources across the state. Those connections mean introductions to potential customers, venture and angel investors, and other supporters across the state.

Network partners also have become engrained in the broader economic development support systems in their respective communities. They provide a voice for entrepreneurs by serving on boards of directors of chambers of commerce, economic development organizations and other community organizations. This has helped heighten awareness of gaps in local and regional entrepreneurial ecosystems, as well as connect entrepreneurs and their companies to more traditional economic development support from local communities and regional economic development partners.

In addition to those network partners, Launch Tennessee also has several statewide partners including groups that are focused on the life science sector, agtech and energy. These partners, along with many other efforts led by Launch Tennessee, have helped put Tennessee on the map for startups and venture capital across the country.

Tennessee's entrepreneurial efforts also are on full display every year during the 36|86 entrepreneurship conference held in Nashville. And while it is held in Tennessee, the event draws entrepreneurs from across the Southeastern U.S., and service providers and venture capital and angel investors from across the country.

The event provides entrepreneurs with the opportunity to pitch to investors and connect with service providers who can help them grow their startups, as well as meet with fellow entrepreneurs across a

Investors on the East and West Coasts now are paying close attention to Tennessee and its entrepreneurial ecosystem. But the state's startup activity also is lifting an economy that is better known for its service and manufacturing industries, and creating new paths to prosperity for Tennesseans. This trend is helping diversify the state's economic base and move the state toward a more innovation-based economy.

number of industry sectors. 36|86 also serves as a forum for various partners across the ecosystem to connect and learn from one another, in what is quickly becoming one of the South's biggest entrepreneurial events.

In addition to 36|86, Launch Tennessee also has worked to build awareness of Tennessee-based entrepreneurs and their startups in the venture capital community. This effort has included multiple roadshows to visit investors in New York and California. The initiative created targeted opportunities for startups to pitch in those locations, as well as a mechanism to heighten awareness of Tennessee's broader startup environment, marketing the state as a potential business location for startups and investors located outside Tennessee.

SUMMARY

Tennessee has benefited from a number of visionary entrepreneurs who invested heavily in the state for decades. They laid a strong foundation as risk takers

and investors who are now supporting a new generation of innovators and entrepreneurs. Today's startups are deploying new technologies in several of Tennessee's long-standing industries like healthcare and logistics, thus making the state's legacy industries more resilient and innovation-based. They also are building companies focused on new industry sectors, including additive manufacturing, materials science, software and IT that are still in their infancy and hold the attention of venture capitalists and early-stage investors.

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info@researchfdi.com
www.researchfdi.com

three's company

By Clay Walker, CEcD

Clay Walker, CEcD, is Chief Executive Officer of NETWORKS Sullivan Partnership (cwalker@networks.tn.com).

for a state that owes much of its notoriety on “three chords and the truth,” there is a sense of comfort and familiarity about Tennessee’s Three Grand Divisions. The state is divided relatively evenly into West, Middle and East divisions, but the unity and state pride found throughout Tennessee make these distinctive regions undetectable to someone who might explore the nation’s sixteenth state.

While Tennessee is a long, or wide, state – running some 440 miles from its western boundary on the shore of the Mississippi River to the easternmost point of the state in the scenic Appalachian Mountains, (which equates to about a 10-hour drive if the traffic patterns and winds happen to be with you) – there certainly are examples of wider states that don’t identify themselves as distinctive regions, or at least not with the formality of the Volunteer State.

In fact, Tennessee’s Grand Divisions are legally recognized in the state constitution and in state law. (For example, no more than two of the state’s five Supreme Court Justices can be from any one of the Grand Divisions.) The regions are even represented by the three stars on the state flag, which was designed by Colonel LeRoy Reeves, a Johnson City (East Grand Division) attorney, who was serving in the National Guard when his design was adopted in 1905.

The Grand Divisions follow clear geological lines: East Tennessee includes the Great Smoky Mountains, the eastern Tennessee River Valley and a portion of the Cumberland Plateau; Middle Tennessee includes the remainder of the Cumberland Plateau, and low lying area called the Nashville Basin, surrounded by the highland rim, with rolling hills and fertile valleys; and West Ten-

nessee is defined by the Mississippi River and lowest laying land in the state, with rich soil that led to large-scale cotton farms in the antebellum period, much of which remains today.

These geographical regions – each making up about one-third of the state’s land area – are geographically, culturally and economically distinct, but with common threads that define Tennessee woven into every corner, city, town and village. At one time, the state felt divided, with road signs welcoming travelers to West, Middle, or East Tennessee. Tennessee was even split during the Civil War with the Northeast portion of the state siding with the Union and the remainder of the state seceding with the Confederacy.

For a state that owes much of its notoriety on “three chords and the truth,” there is a sense of comfort and familiarity about Tennessee’s Three Grand Divisions. The state is divided relatively evenly into West, Middle and East divisions, but the unity and state pride found throughout Tennessee make these distinctive regions undetectable to someone who might explore the nation’s sixteenth state.

But in the early 1970s, Governor Winfield Dunn, as part of his overhaul of much of the state’s old political thinking, removed the geographical distinctions from the signs. It is with that spirit that the economic development practitioners across the state go about their business, regardless of whether they work at the community, region, or statewide level. It is a practice that has become known in recent years as Team Tennessee.

“I would think that most every state has a level of cooperation in their marketing and recruitment efforts,” said Lauren Emert, director of economic development for the Blount Partnership. “I mean, it’s not as though we’ve cracked some code that most projects – certainly the larger ones – will most likely be looking at a very broad region and begin their searches through state economic development departments. I believe we take the team concept a little further than most, though. We are constantly in touch with each other, sharing information on workforce development, entrepreneurship support, property development, existing industry services, you name it.”

TEAM TENNESSEE DELIVERS

Tennessee’s landscape offers three unique regions, but the Grand Divisions have plenty in common and serve as points of pride, not division, for the Volunteer State.

“The best things in life come in threes, like friends, dreams, and memories” – Mencius

An integral part of Team Tennessee is the Tennessee Economic Partnership (TEP). TEP is a public-private, non-profit organization created in 1990 with members including the Tennessee Department of Economic and Community Development (TNECD), Tennessee Valley Authority (TVA) and businesses and economic development organizations of all sizes (and budget levels) across the state. TEP generates leads and ongoing business relationships with key prospects and consultants in an effort to attract jobs and investment.

“Okay you guys, pair up in threes” – Yogi Berra

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“Tennessee Economic Partnership’s primary function as a statewide marketing group is to boost top-of-mind recognition for Tennessee among key business prospects,” said Maury County Chamber and Economic Alliance President Wil Evans, TEP’s 2021 chairman. “Being a part of this group allows us, as economic development professionals from individual communities, to partner together as one to collectively market Tennessee as a whole. In addition to developing and strengthening relationships with top corporate prospects and site selection consultants, I truly appreciate the added opportunity this organization provides for me to network and learn from my peers in East, West, and Middle Tennessee.”

While representing the state at TEP’s various marketing events, economic developers are encouraged to highlight attributes distinctive to their own communities and regions. However, everyone involved keeps their focus on promoting the state as a whole. The real strength of Tennessee is in the qualities shared across the state, with each of the Grand Divisions’ identities being defined by their own uniqueness.

“We are fortunate that so many global brands call Tennessee home. Our state offers a number of advantages, including its central location, pro-business envi-

ronment and fiscal responsibility, and is a leader in sectors ranging from automotive to healthcare,” said Bob Rolfe, commissioner of TNECD.

“As a state, we are proud that more than 1,000 foreign-owned establishments choose to do business here and have invested nearly \$40 billion in our economy. From Memphis to Mountain City, communities across the state are equipped with outstanding infrastructure and shovel-ready sites that are prepared for the next expansion or new location project. We appreciate the companies operating in our state and welcome the opportunity to recruit others to Tennessee,” he said.

The state has earned a reputation over the years as being attractive to business and industry. Tennessee touts as just some of its attributes:

- No personal income tax on wages and salaries
- Traditionally negligible union presence as a right-to-work state
- History of fiscal responsibility spanning decades and crossing party lines
- Lowest state debt per capita in the nation (per The Tax Foundation)
- An advantageous central location with an excellent transportation infrastructure
- Triple A rating by all major rating services
- Easy accessibility and strong ties to Oak Ridge National Laboratory
- Successful overhaul of tort and workers compensation laws

TEP events include many outbound marketing trips to key markets in terms of geography and industry sectors, but the same sense of teamwork can be found when consultants and prospects visit. TEP supports one inbound event a year through a grant in each of the Grand Divisions, with the caveat that other TEP members within that division can participate along with the host economic development organization. That unity and Team Tennessee spirit often leaves an impression on guests.

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Each of the Grand Divisions is represented by various regional economic development organizations as well, each tailored towards the needs of its communities. Usually tied to the largest city within its region, organizations such as the Greater Memphis Chamber, Nashville Area Chamber of Commerce, Chattanooga Area Chamber of Commerce and the Knoxville Chamber of Commerce have led successful regional efforts, each evolving over the years to remain relevant and of value to the communities around its metro center.

“Economic development is first and foremost a team sport,” said Doug Lawyer, vice president of economic development for the Knoxville Chamber of Commerce. Lawyer’s organization is a regular participant in the Northeast Red Carpet Tour, an inbound event organized and hosted by NETWORKS Sullivan Partnership that concludes with a VIP experience at the famed Night Race at the Bristol Motor Speedway in the Tri-Cities, about 90 miles east of Knoxville.

“Site selection consultants and companies look at regions when making site location decisions, and that often involves entire portions of a state, such as East Tennessee. We all share many assets and can benefit by partnering to raise awareness on what makes this entire region special,” Lawyer said.

“A trio is the biggest sound you can make with the smallest unit” – Charlie Hunter

While all the Grand Divisions share the state’s tax structure, business policy and most other selling points, most collaboration is done within each region as most recruitment projects are confined to more of a regional search area.

“Economic development happens regionwide and even statewide,” said Matt Largen, president and CEO of Williamson, Inc., in Middle Tennessee. “In fact, at least one resident in nearly every county in Tennessee can trace their paycheck back to a company in Williamson County, and the same can be said for many other counties in Tennessee. So, what happens in one county affects people in many other counties.”

“Companies do not care about geographic or political boundaries; they care about locating in an area that will support their operations, mitigate their risk and provide a deep and wide talent pool across cities and counties that will provide workers for the long term,” Largen said.

Michael Parker, director of economic development at NETWORKS Sullivan Partnership in Northeast Tennessee, agrees that most collaboration takes place with other communities within the same Grand Division, not for any type of competitive reasons, but because of projects’ needs.

“We are regularly sharing information with other economic development groups in Knoxville, Blount County, Hamblen County, Chattanooga, and certainly with the other counties around us here in the Northeast region,” Parker said. “Usually, it’s because many of them are working on the same projects that we are seeing. But on occasion, our communication goes beyond this region. We’ve talked about specific projects with Memphis, for example, and not long ago, we worked a project with a consultant who had been given our contact information from a colleague in Nashville.”

“And we recently introduced one of our companies to some Middle Tennessee communities, after they reached out to us with a project and wanted to look at sites near Nashville. We also collaborate across the state with organizations with similar issues or targeted sectors, such as aerospace or clean energy. But most of our collaboration is still with our peers within the East Grand Division,” Parker said.

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“Regional economic development organizations benefit consultants and prospects, providing them with organization and collaboration in the preliminary stages of a project,” said Jeff Hite, chief economic development officer at the Nashville Area Chamber of Commerce. “We also provide a larger variety of available buildings and sites since we serve a greater area, in our case 10 counties.”

Regional industrial development agencies – or RIDAs – serve as the common denominators across the state. RIDAs are funded by local power distributors and TVA. They serve as a regional marketing ally, but each also works closely with the economic development organizations within its region to provide the “missing piece” to the local and various other regional efforts.



Memphis, known as the *Home of the Blues*, attracts thousands of tourists to its famed Beale Street, which hosts three blocks of night-clubs, restaurants and shops in the heart of downtown.

(Photo courtesy of Blount Partnership)

“What makes regional EDOs particularly effective is communicating with and listening to our partners at each of the communities, with TVA, with TNECD, so that we are filling the role our partners need us to fill. We add value to the entire economic development ecosystem by facilitating a region of collaboration,” Hite said.

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“All you need to write a country song is three chords and the truth” – Harlan Howard

Much of the state’s identity comes from music, something in which each Division takes great pride and can be used to illustrate the distinctions and commonality of the regions. Although it is just one of many common attributes shared in all three regions, it is clearly the most visible and one that, when presented as single narrative, gives Tennessee a unique calling card.

Memphis has long been known as the *Home of the Blues*, even having been declared so by an Act of Congress in the ‘70s, with its famed Beale Street, but is also known by many as the Birthplace of Rock ‘N’ Roll with Sam Phillips’ historic Sun Records and Sun Studio, connections to nearly 20 percent of the early inductees into the Rock & Roll Hall of Fame, and, of course, Graceland, home of the King himself, Elvis Presley.

Whether one knows the history of Nashville and its claim to the title of *Music City USA* (it was actually an off-the-cuff remark made by personality Dave Cobb on WSM radio in 1950, which stuck), it is hard to dispute



Chattanooga is an attractive waterfront startup city, due partially to its citywide fiber optic infrastructure known as “the Gig,” credited with generating \$2.69 billion in economic impact over the last decade.

(Photo courtesy of Blount Partnership)

that title when venues like the Ryman Auditorium, the Country Music Hall of Fame, Tootsie’s Orchid Lounge and the Johnny Cash Museum are all within a short walk of one another.

While some might think the title is a title exclusive to country music, Nashville is a hotbed for many genres, including gospel, rock & roll, R&B and jazz. Other musical landmarks include the Cannery Ballroom at Station Inn, Music Row, The Bluebird Café, the recently opened National Museum of African-American Music, and, of course, the Grand Ole Opry.

While Nashville has become the capital of country music, its “big bang” occurred in Northeast Tennessee in Bristol. In 1927, record producer Ralph Peer of the Victor Talking Machine Company, spent two weeks conducting recording sessions in order to showcase the new Western Electric electronic microphone. He recorded 76 songs from 19 of the region’s top acts including Jimmie Rodgers, the Father of Country Music, and The Carter Family (featuring Maybelle Carter), known as the First Family of Country Music.

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The Bristol Sessions, as they would be known, initiated the commercialization of the genre and would later be referred to by Johnny Cash as “the most important event in the history of country music.” But well beyond that singular event lies the culture of country and mountain music from which such talent was born, a culture that produced one of the most iconic talents in country music history, Dolly Parton... which to a Tennessean, is really all you need to say.

“There are three ingredients in the good life: learning, earning, and yearning” – Christopher Morley

As with many of the United States’ early territories, entrepreneurship grew from a pioneer spirit that tamed a wild new frontier. The music industry certainly fostered that creative, independent mindset along the way, but it has spilled into many other areas as well, making Tennessee a bastion for innovation and small business development.

In East Tennessee, two cities used infrastructure to signal their commitment to entrepreneurial growth. Chattanooga has been lauded for its municipal broadband service, being the first to offer a gigabit in 2010, and its below-market rates that included special discounts for low-income households. Bristol was also early in the municipal broadband game and was the first to up the ante to 10 gigabit service available for every home and business in its service area a short time later.

In Middle Tennessee, healthcare has run a parallel path to Nashville’s music industry in launching companies into prominence. Many of Tennessee’s nationally and globally recognized brands have grown across a wide array of business sectors, such as Piggly Wiggly, Holiday Inn, FedEx and St. Jude Children’s Research Hospital.

Entrepreneurs also stake a deep claim in West Tennessee, according to Ted Townsend, chief economic development officer of the Greater Memphis Chamber.

Entrepreneurs are supported at the state level through Launch Tennessee, a public-private partnership with a vision to make Tennessee the most start-up-friendly state in the nation. As Governor Bill Lee has been quoted as saying, Tennessee is “developing both a workforce and the infrastructure needed to continue making our state the nexus for the jobs of the future.”

“From transforming how we shop for groceries, to ensuring clean, safe family motels, to absolutely, positively overnight cargo, to finding the cure for childhood cancers, Memphis has been the nurturing launchpad for so many of the innovations that have improved the way we live today,” he said. “This history has made Memphis a city where becoming a household name is possible.”

Entrepreneurs are supported at the state level through Launch Tennessee, a public-private partnership with a vision to make Tennessee the most start-up-friendly state in the nation. As Governor Bill Lee has been quoted as saying, Tennessee is “developing both a workforce and the infrastructure needed to continue making our state the nexus for the jobs of the future.”

The state has seen its share of start-ups grow to international giants and has recruited other major brands’ headquarters in recent years. Tennessee-based companies include AutoZone, Service Master, International Paper, Nissan, Dollar General, Servpro, Mars Petcare, Regal Entertainment Group and Eastman, just to name a few.

In the state’s larger cities, venture capitalists and other resources for start-ups are abundant, but in the less densely populated areas, regions are finding that entrepreneurship also has a place for collaboration. In the Tri-Cities region, shared work space operators have begun to collaborate, with organizations such as AccelNow and Sync.Space making an effort to jointly become more a part of Tennessee’s entrepreneurial ecosystem. They have begun pitching the region, rather than their respective cities, to investment groups across the country, attending conferences such as Launch Tennessee’s 36|86 Entrepreneurship Festival as a group.

Obviously, many of the state’s tourism attractions stem from its musical heritage, but it is the state’s natural assets that bind Tennesseans. From the Mississippi River to the Great Smoky Mountains, Tennessee boasts of breathtaking hiking trails, rivers and lakes, mountains and wildlife. Greenways and robust parks are a hallmark of most every city and town. In fact, the state promotes more than a dozen trails – from the Great River Road



Bristol Motor Speedway, nicknamed the Last Great Colosseum, is a NASCAR short track and multi-use venue that hosts major auto races, football games, concerts and other outdoor events.

(Photo courtesy of Blount Partnership)

Tennessee's three Grand Divisions might seem to serve as clear distinctions that would create a division in most places, but people who understand the culture and history of Tennesseans know that they only serve for regional pride. At the end of the day, Tennessee is nothing if not the sum of its parts. Three Grand Divisions that make up a great state and give texture and meaning to Team Tennessee.

Trail, along the Mississippi River, to White Lightning Trail, tracking East Tennessee's early days of bootlegging its whisky and moonshine.

"Tourism is among the top economic drivers of Northeast Tennessee, generating \$911 million annually," said Alicia Phelps, executive director of the Northeast Tennessee Tourism Association. "With 230 miles of internationally-known rivers and 288 miles of the Appalachian Trail, it's the true outdoors with endless opportunities to explore and less time sitting in traffic."

"The Tri-Cities of Bristol, Kingsport and Johnson City and small towns along the way make up a diverse region of outdoor recreation, home to the Birthplace of Country Music, the World's Fastest Half Mile (Bristol Motor Speedway), southern culture, history and everything in between. While the assets are unique to our region, their themes are very similar to the other regions of Tennessee's attractions," she said.

Likewise, the EDO structures vary across the state, in terms of targeted industry sectors, emphasis on training and public-private funding breakdowns. This includes overall prioritization of recruitment, existing industry services, entrepreneur development, retail and tourism. Even so, across the entirety of the state, much more commonality is found than differences.

"What we do in the Nashville area might be somewhat different than what's being done in West or East Tennessee; it might look very different than other regional EDOs with the Middle Grand Division," Hite said. "But if we work efficiently and collaboratively within our communities, regions and across the state, there will be more wins and more prosperity for everyone, and that's something we've done well in Tennessee."

Tennessee's three Grand Divisions might seem to serve as clear distinctions that would create a division in most places, but people who understand the culture and history of Tennesseans know that they only serve for regional pride. At the end of the day, Tennessee is nothing if not the sum of its parts. Three Grand Divisions that make up a great state and give texture and meaning to Team Tennessee.

"Team Tennessee is not just a name, it's a culture," explained Lindsay Frilling, CEO of the Obion County Joint Economic Development Corporation. "In the decade I've been working in economic development, I've not experienced a more genuine, professional group of people who care about each other. It only makes sense though because we are ultimately in the business of people. We strive to build a stronger economy so our friends and neighbors can have a better quality of life."





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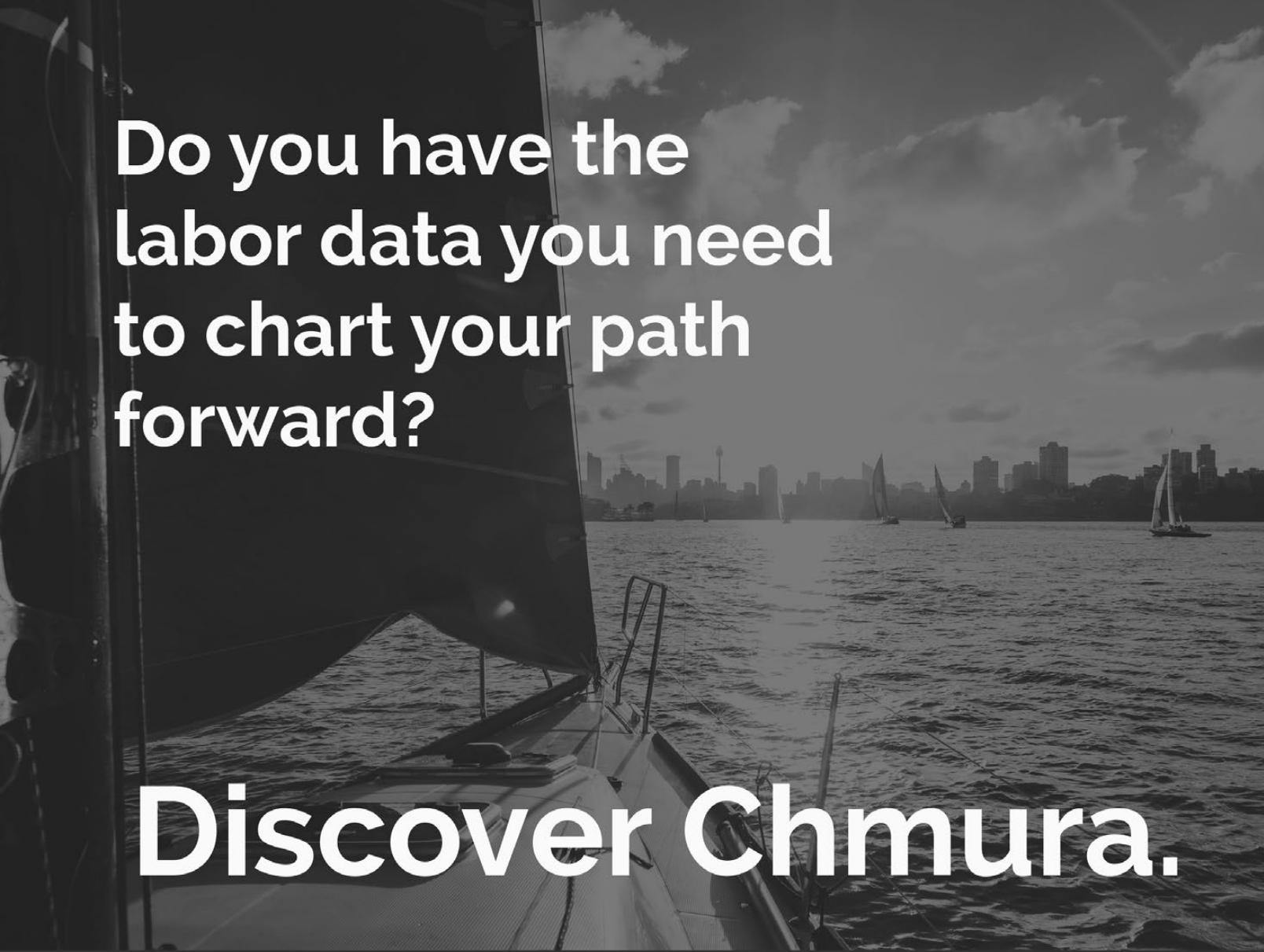
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For more information contact Jenny Murphy, editor, at murp@erols.com (703-715-0147).



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IEDC sponsors an annual conference and a series of technical conferences each year to bring economic development professionals together to network with their peers and learn about the latest tools and trends from public and private experts.

IEDC also provides training courses and webinars throughout the year for professional development, a core value of the IEDC. It is essential for enhancing your leadership skills, advancing your career, and, most importantly, plays an invaluable role in furthering your efforts in your community.

For more information about these upcoming conferences, webinars, and professional development training courses, please visit our website at www.iedconline.org.

CONFERENCES

2021 Annual Conference

October 3-6
Nashville, TN

2022 Leadership Summit

January 30-February 1
La Quinta, CA

2022 Economic Future Forum

June 12-14
Richardson, TX

2022 Annual Conference

September 18-21
Oklahoma City, OK

2021 EDUCATION COURSES

Real Estate Development and Reuse

July 15-16
(online)

Accelerating Growth through Entrepreneurship-led Economic Development

July 29-30
(online)

Economic Development Strategic Planning

August 12-13
(online)

Entrepreneurial & Small Business Development Strategies

August 26-27
(online)

Workforce Development Strategies

August 31-September 1
(online)

Economic Development Credit Analysis

September 15-17
(online)

Business Retention & Expansion

September 30-October 1
Nashville, TN

Economic Development Academy

November 2-5
(online)

Neighborhood Development Strategies

November 2-3
(online)

Real Estate Development and Reuse

November 4-5
(online)

Foreign Direct Investment and Exporting

December 2-3
(online)

2021 CERTIFIED ECONOMIC DEVELOPER EXAM

October 2-3
Nashville, TN
(App. Deadline: September 6)

2021 WEBINARS

On Talent Attraction

July 15

It's Time to Update Your Strategic Plan

August 19

Redoing Retail Spaces & Places

September 16

Extreme Makeover, #EconDev Edition

October 21

Getting to the Bottom (line) of Funding

November 18

Stronger Together: Partnership & Collaboration

December 9

NEWS FROM IEDC

NEW! PLANNING FOR ECONOMIC RECOVERY TRAINING COURSE

The International Economic Development Council (IEDC) and the International City/County Management Association (ICMA) have developed a training course in partnership with the Federal Emergency Management Agency (FEMA): "Planning for Economic Recovery." Filled with examples of successful recovery strategies, this course offers opportunities for small group discussions and peer learning.

Among the strategies covered in the four-hour course are:

- Engaging small businesses in pre-disaster planning and preparedness
- Utilizing financial tools and resources for mitigation and recovery
- Updating your economic recovery plan

IEDC and ICMA will offer this course monthly during 2021 to aid participant communities to mitigate risks and speed recovery after economic disruptions.

CITY OF DALLAS (TEXAS) OFFICE OF ECONOMIC DEVELOPMENT ACCREDITED

Accredited organizations find the rigorous application process allows for self-learning and provides an outside perspective on how to strengthen operations and goals. Every three years, accredited organizations undergo a thorough review to maintain their accreditation.

The City of Dallas (Texas) Office of Economic Development achieved accreditation in February. There are currently 10 accredited organizations in Texas.

The Business Development Board of Palm Beach County in West Palm Beach, Florida was reaccredited in February. They were originally accredited in 2007. There are currently five accredited organizations in Florida.

Learn more about becoming an accredited organization at www.iedconline.org/AEDO.

IEDC ECONOMIC DEVELOPMENT WEBINAR SERIES TARGETS AUDIENCE IN CENTRAL ASIA

IEDC has recently concluded a webinar series with the Special American Business Internship Training (SABIT) at the Department of Commerce. In response to IEDC's successful COVID-19 webinar series, SABIT reached out to IEDC to partner on a series with similar content for their Eurasian audience including countries

in Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine.

Starting in February 2021, IEDC and SABIT presented 6 sessions around the theme "Doing Business in a Post COVID-19 world". The biweekly webinars included topics such as leading through crisis, marketing, and preparing the future workforce. The webinars were well attended, with engaging Q&A discussions and have received positive feedback from attendees.

IEDC'S ANNUAL CONFERENCE – MARK YOUR CALENDARS FOR OCTOBER 3-6

IEDC's Annual Conference is a dynamic event, focused on cultivating the innovation and partnerships essential to generating economic growth and transformation. Join us in Nashville, October 3rd - 6th to explore the foremost industry trends in economic development and to discover the strategies needed to identify emerging opportunities in the post-pandemic economy.

Hear from world-renowned experts on how to predict future trends and how to best prepare your community or business to capitalize on them. Network with your peers and exchange ideas on how to leverage tourism, recruit and retain the best of the workforce, and improve your community. Access cutting-edge, industry-specific research and resources, and have some fun exploring the great city of Nashville while you're at it!

NEW COURSES IN ENTREPRENEURIAL ECOSYSTEMS

IEDC has launched two new training courses and a credential designed for professionals who work with entrepreneurs and small businesses, as well as those that support them via programs, networks and approaches that foster small business and entrepreneurial growth. Developed with support from the Kauffman Foundation and the U.S. Economic Development Administration (EDA) and in partnership with SourceLink, the Entrepreneurship Development Professional (EDP) connects entrepreneurship support, economic development and community development approaches in order to create and nurture thriving entrepreneurial ecosystems.

Professionals can pursue this new professional certification to demonstrate to their peers and community leaders that they have the skills and expertise to make a difference in the community through entrepreneurship-led economic development.



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tennessee valley authority

By Bradley Jackson and Bryan Daniels, CEcD, IOM, CCE

the Tennessee Valley Authority (TVA) was groundbreaking and historic when it was formed in the 1930s. And it is still relevant now – in power creation, economic development and more – nearly 90 years later, as:

- the largest public power provider in the United States;
- the nation's second largest transmission system, with 16,300 miles of high voltage lines and 69 interconnections with neighboring electric systems;
- the third largest electricity generator in the nation, providing power to 153 local power companies, that serve residents and large businesses in their communities, as well as 57 direct serve customers; and
- in Fiscal Year 2020 alone, TVA's capital investment in the Tennessee Valley topped approximately 67,000 jobs and more than \$9 billion.

TVA's mere presence – its sheer commitment to our state's economy and its overall mission of service here – is legendary for its achievements, yet highly focused on the future. Its influence fundamentally altered the economic trajectory of the region.

TVA's mission of service to Tennessee remains as powerful as it was when it was created, according to Jeff Lyash, TVA president and chief executive officer, in his forwarding comments in the TVA Annual Report 2020.

TVA's mere presence – its sheer commitment to our state's economy and its overall mission of service here – is legendary for its achievements, yet highly focused on the future. Its influence fundamentally altered the economic trajectory of the region.

TVA was founded after President Franklin Delano Roosevelt, in the first year of his presidency, sent a request to Congress for a new kind of federal agency. The resulting TVA Act established a multifaceted agency representing a seven-state, 80,000-square-mile region where electricity was scarce and expensive, particularly in outlying areas.

"The world, the economy and our industry are changing rapidly. By living our values and focusing on our region's priorities, TVA is committed to delivering on a mission that is still as important today as it was when Congress passed the TVA Act in 1933," Lyash said.

A "NEW KIND OF FEDERAL AGENCY"

TVA was founded after President Franklin Delano Roosevelt, in the first year of his presidency, sent a request to Congress for a new kind of federal agency. The resulting TVA Act established a multifaceted agency representing a seven-state, 80,000-square-mile region where electricity was scarce and expensive, particularly in outlying areas.

Roosevelt requested that this agency "be charged with the broadest duty of planning for the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and its adjoining territory for the general, social, and economic welfare of the nation."

In short, the new agency's mission was to provide low cost and reliable power, increase economic prosperity and serve as an environmental steward in the region. The resulting Tennessee Valley Project was as transformative as it was extensive and deserving of its ranking as "One of the Top Ten American Public Works Projects of the Twentieth Century" by the American Public Works Association.

Bradley Jackson is President and CEO at Tennessee Chamber of Commerce & Industry/Tennessee Manufacturers Association. (bradley.jackson@tnchamber.org)

Bryan Daniels, CEcD, IOM, CCE, is President of the Tennessee Economic Development Council and President and CEO of Blount Partnership. (bdaniels@blountpartnership.com)

BUILT FOR THE PEOPLE; HIGHLY INVESTED IN ECONOMIC DEVELOPMENT

The mission of the Tennessee Valley Authority (TVA), under the TVA Act of 1933, was to provide its mainly rural seven-state area with low cost, reliable power; increase prosperity and serve as an environmental steward. Now, as the nation's third largest electricity generator, its mission of service remains forward-thinking. In November 2020, TVA's Board of Directors developed a new commercial rate structure to support charging stations for Electric Vehicles (EVs) across the state's highways. As one TVA official put it, "We like to talk about how, at TVA's inception, we electrified farms around the Valley. Here we are, nearly a century later, making preparations to electrify transportation."

The vast availability of electricity also brought new industries into the area, providing an economic boost by employing many workers who previously had subsisted only on the crops their farms produced. Previously, the farmers' yearly incomes could wildly fluctuate, dependent upon factors such as soil conditions, weather and labor. This changed as workers obtained jobs at various factories or commercial businesses, earning steady incomes to support their improved lifestyles.

Also called the "Tennessee Valley," its largely rural area was mainly defined by the ebb and flow of the Tennessee River, where the private sector lacked the capacity to invest in large-scale infrastructure. That region is comprised of the state of Tennessee and parts of Alabama, Mississippi, Kentucky, Georgia, Virginia and North Carolina.

ELECTRIFICATION LEADS TO REGIONAL TRANSFORMATION

TVA transformed the region's future with the eventual construction of 29 hydroelectric dams and 11 coal-fired power plants. The dams controlled flooding, improved river navigation and generated electricity.

Without a doubt, the most dramatic change in Valley life came from the electricity generated from those dams. Prior to this time, only three percent of the farms in the region had electricity. After the project began, electric service was expanded into both urban and rural areas.

The availability of electricity helped improve efficiency of the region's farmers and their families. Farmers learned how the use of electrical equipment could save money, time and labor, while increasing productivity and improving living conditions.

Flood control brought much-needed improvement in soil conservation and erosion management. For decades, common row crops such as tobacco and corn had stripped the soil of precious nutrients, with heavy rains continuously washing the soil into the rivers. Farming in the region became more difficult with each passing year.

TVA, recognizing that the farmers needed assistance, offered soil erosion guidance to help stabilize and improve these conditions, resulting in improved crop output, thereby putting money into the farmers' pockets.

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DAM CONSTRUCTION BROUGHT MULTIPLE BENEFITS, INCLUDING ECONOMIC DEVELOPMENT

Construction of the dams also allowed TVA to control and manage the depths of rivers. This created more than 652 miles of navigable waterways upon which boats and barges could transport goods and commodities from the Ohio River along the Tennessee River through Kentucky, Mississippi, Alabama and Tennessee.

River transportation benefited the region's factories and industries with easier access to raw materials needed in their operation, utilizing a faster, more reliable way of moving their products to markets around the nation. As the years rolled on, a robust river recreation industry developed through the steady regulation of Tennessee's waterways, bringing in billions of dollars to communities near the 40,000 miles of rivers, streams and tributaries.

Through these initiatives, opportunities opened up for cities like Chattanooga, Knoxville, Nashville and Memphis to invest in downtown infrastructure and attract corporate economic development, setting the stage for today's vibrant state economy.

FAST FACTS

Partnering with 153 local power companies every day, TVA serves:

- Approximately 10 million people
- Over 750,000 businesses
- 56 directly served large corporations and federal installations
- With 99.999% reliability since 2000 (top-decile industry performance)

In addition to:

- Providing paychecks for nearly 10,000 employees as the Number Two Employer in the State of Tennessee; on Forbes' list of America's Best Employers
- Being named a 2020 Leading Disability Employer by the National Organization on Disability
- Employing large numbers of veterans, who make up nearly 20% of the workforce; with national recognition as a Top 10 Military Friendly Employer and Military Spouse Friendly Employer

TVA has:

- The nation's third largest Nuclear Fleet, providing over 40% of TVA's energy
- The nation's third largest pumped storage hydro plant, capable of producing 1,635 megawatts of net summer capability on demand
- Five coal-fired sites with 25 units
- Eight combined cycle gas sites with 14 units
- Nine combustion turbine gas sites with 86 units
- 29 power-generating dams with 109 units

Those impressive economic benefits are not solely in the past. TVA has continued to be a key reason why companies invest here. In the past five years alone, that includes \$45.4 billion in new capital investment and 350,000 new jobs throughout the region.

TVA'S STRENGTHS AND VALUE AS A PUBLIC POWER MODEL

As a federally-owned utility that is not funded by taxpayer dollars, TVA exemplifies the operation of a public power model, delivering reliable power at some of the lowest rates in the country. These factors are of prime importance to prospective companies and manufacturers as they review site location options.

Most utilities fall under one of two business models: investor-owned or publicly-owned (public power). The U.S. Energy Administration defines investor-owned utilities, or IOUs, as large electric distributors that issue stock owned by shareholders. About three-quarters of the nation's utility customers get their electricity from IOUs.

In contrast, public power utilities are not-for-profit electric utilities. They provide electricity to more than 49 million Americans, using ratepayer dollars and revenues earned from generating electricity, to invest back into the communities they serve.

On average, homes powered by public power utilities pay 13 percent less than homes powered by private utilities, as reflected by TVA's residential customers, who pay 70% less. Additionally, businesses receive substantial benefits from the public power/not-for-profit model. When they derive electricity from public power utilities, they also typically pay less than businesses getting electricity from private utilities. TVA's industrial customers pay less than 90% of the U.S. for their power.

The value of public power is exemplified by a utility that is both community-based and community focused. The public power model brings an emphasis on community impact and support, rather than just selling electricity. In the public power model, selling electricity is a means to fund the mission of making life better for the people of the region.

TVA: A PUBLIC POWER UTILITY OPERATING ON A NOT-FOR-PROFIT BASIS

Public power allows for:

- more regionalized control and regulation;
- rates that are provided to customers at a cost reflective of the true market and what it costs to serve power;
- focus on economic development and programs that support the mission of service to the people the utility serves, by investing profits back into the community;
- reliable electricity systems due to profits invested into infrastructure; and
- business decisions based on benefit of the community and customer, rather than benefit of the shareholder.

In this way, the public power model enables TVA to meet one of its core missions of making life better for the people of the Valley. TVA works with its local power company partners, as well as regional, state and local economic development organizations, to promote job creation and capital investment in the region.

TVA ECONOMIC DEVELOPMENT: IMPACT MEASURED IN JOBS, CAPITAL INVESTMENT, PROSPERITY

TVA measures its impact in terms of economic development metrics, such as jobs, capital investment and ultimately helping promote prosperity for the Valley, rather than measuring sales of electricity. Over the years, TVA's Economic Development division has evolved into a comprehensive program offering services such as project management, technical services, research, product development and other areas to ultimately support communities that it serves and attract corporate investment.

As it works to recruit companies to the Valley, it focuses on specific industry sectors, or target markets, including:

- transportation-related manufacturing;
- advanced manufacturing;
- aerospace and defense; and
- energy intensive industries including data centers, industrial products and consumer products.

These target industries are areas of focus based on location advantages of the Valley, natural assets and market demand. Product development initiatives are designed to identify or enhance industrial properties to better compete in the marketplace, preparing industrial sites and communities for continued growth before a prospective client is introduced.

TVA Economic Development also offers site selection services, incentives, marketing, research and technical assistance to help companies locate, stay and expand in the Valley.

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TVA ECONOMIC DEVELOPMENT AT A GLANCE

TVA Economic Development works to attract new companies and investments to the region, engage existing business and industries, and serve with partners to help communities prepare for economic growth:

- **Approximately 350,000 Jobs & Over \$45.4 Billion:** Capital investment in the Tennessee Valley generated by TVA economic development activity over the past five years
- **Approximately 67,000 Jobs & Over \$9 Billion:** Capital investment in the Tennessee Valley in fiscal year 2020 alone
- **Approximately 45,300 Jobs & Over \$5.2 Billion:** Capital investment in the State of Tennessee in fiscal year 2020
- **Top Utility in Economic Development:** 15 Consecutive Years: *Site Selection Magazine*
- **Notable Wins:** Boeing, LG Electronics, Volkswagen, Amazon, Alliance Bernstein, Bridgestone, Denso, Facebook, Google, Nokian Tires, Mazda Toyota, Tyson, Nissan, Phillips Healthcare

TVA LAUDED BY SITE SELECTION MAGAZINE

In fall 2020, and for the past 15 consecutive years, TVA has been named a Top Utility in Economic Development by *Site Selection Magazine*. The magazine praised its corporate facility investment and sheer number of jobs created and retained across its population of 10 million people. The magazine cited TVA's work for bringing in projects such as:

- Amazon's 5,000-job operations center of excellence in Nashville, the single largest initial jobs announcement in TVA Economic Development's storied history
- Volkswagen
- Corelle Brands
- Pennington Stave & Cooperage

CURRENT PROJECTS INCLUDE ASSISTING AUTOMAKERS WITH MARKET ADAPTION OF ELECTRIC VEHICLES (EVs)

Presently, TVA economic development projects include those centered around advanced energy. TVA is the only utility in the nation to have three Original Equipment Manufacturer (OEM) facilities producing EVs in its territory: Volkswagen with its ID.4 crossover SUV; Nissan with its LEAF; and the recently announced General Motors (GM) \$2 billion expansion to turn out the new Cadillac LYRIQ, a crossover SUV.

TVA cited important factors related to its involvement such as:

- Advancements in the Lithium Ion Battery market, which is driving OEM expansions in the Valley
- TVA's current power generation mix and renewables programs, which have served as the catalyst for recent EV - OEM announcements within the TVA region
- TVA's partnership with Oak Ridge National Laboratory on advanced energy related projects

TVA also cited its Green Invest program and additional assistance to help GM meet its 100% renewable energy goal for 2023.

TVA BOARD VOTES TO DEVELOP NEW RATE STRUCTURE TO SUPPORT EVs

In late November 2020, the TVA Board of Directors developed a new commercial rate structure to support EV charging stations across the region, taking a big step to encourage more electric vehicles on the Valley's highways. Doug Perry, senior vice president of TVA Commercial Energy Solutions, said TVA "is laying a good foundation to make them easy to use by encouraging the installation of fast chargers. We're not pushing EVs, but we're doing what we can to open the doors so more people can confidently choose them."

Drew Frye, program manager for TVA's Electric Vehicles EVolution Initiative, estimated there are around 13,000 electric cars in the Tennessee Valley today, "and that number has been growing quickly in the last year or so. With more electric SUVs coming online and even more pickup trucks, the choices available to drivers are coming right along."

BREAKING DOWN MARKET BARRIERS

Frye identified four market barriers slowing down EV adoption as:

- A lack of supportive policies at the state, local and utility levels
- The need for charging infrastructure
- Availability of electric vehicles
- Consumer awareness in general (getting more people familiar with the technology and expense)

Frye said TVA is looking "at what we should do to minimize or remove each of these barriers. We'll start by establishing policies that look at the EV rate as a unique and separate class, and creating a new, stable rate for those building charging stations – something we can do quickly in our role as regulator."

The importance of TVA's late 2020 decision will allow TVA's 153 local power companies to easily provide fast charging and the possibility of private companies to resell power at the fast chargers they own and operate. Frye said this "opens the door to the development of more rapid charging stations across TVA's service area."

"So-called 'range anxiety' prevents many consumers from even considering EVs today, so a more robust network is key to providing assurance to consumers that they will have access to fast charging when and where they need it while on the road," Frye said.

Travis Reid, TVA program manager in Commercial Energy Solutions, said the EV initiative "really aligns with our unique emphasis on energy, environmental stewardship and economic development. A lot of times, we like to talk about how, at TVA's inception, we electrified farms around the Valley. "Here we are, nearly a century later, making preparations to electrify transportation," Reid said.

AT THE FOREFRONT IN 2020: PUBLIC POWER AND COVID-19 SUPPORT

Over the last year, many companies across industry sectors have been seeking ways to support their customers and stakeholders during the unprecedented events stemming from COVID-19. In the utility industry, both IOUs and public power companies found unique ways to offer relief to customers facing financial hardships from the international pandemic.

Bradley Jackson, president of the Tennessee Chamber of Commerce and Industry, said during the COVID-19 pandemic, TVA proved to be more important than ever. "When Middle Tennessee, Southeast Tennessee, Mississippi and North Georgia experienced devastating natural disasters ranging from tornadoes to derechos to flooding, TVA partnered with other local power companies to repair the system and restore service to the tune of \$10 million," he said.

Public power companies, such as TVA, have quickly made decisions that allowed them to amend programs and offer financial assistance/relief to companies and other stakeholders during the period of uncertainty. The ability for companies like TVA to move aggressively can be attributed to the regulatory centralization and mission focus in various parts of the business from operations to economic development.

ECONOMIC DEVELOPMENT INCENTIVE RELIEF DURING THE PANDEMIC

On the economic development front, TVA offered economic development incentive relief to customers seeing declines in their operation and output. It also provided millions of dollars in grants to economic development organizations and community organizations.

TVA's COVID-19 financial support ranged from small business relief to financial assistance for local economic development agencies in purchasing hardware, software and other equipment in order to increase

remote work capabilities. Bryan Daniels, president of the Tennessee Economic Development Council, said the focus of these program amendments can be traced back to the core mission of service for TVA and similar companies. "Since people were told to begin working from home and attend school virtually to slow the spread of COVID-19, TVA provided economic development assistance for rural and economically distressed communities to enhance technology capabilities that supported telework," he said.

"As entire industries experienced devastating layoffs and reductions in service because of the economic fallout from the pandemic, TVA supported local power companies in providing regulatory flexibility, suspending disconnection of electric service so customers wouldn't be overwhelmed by bills," Daniels said.

EMERGING FROM THE PANDEMIC: FOCUSED ON THE FUTURE

In fact, as Lyash pointed out in TVA's 2020 Annual Report, the discipline, creativity and commitment of TVA's team "resulted in a year of exemplary performance in FY 2020. Even with the continuing challenges of the COVID-19 pandemic, we start 2021 with great momentum and opportunities to further advance the public good." TVA's president said his optimism is based on many factors, including TVA's commitment to its core values and delivery of exceptional results even when faced with great challenges.

"In this recent pandemic, TVA's women and men were deemed "essential workers" – a label I believe they carry even in the best of times. Our goal is to do more than just keep the lights on in a seven-state region. We strive to answer the call and deliver what the people we serve need when they need it the most," Lyash said. "I am optimistic about the future of TVA and our region," he said. "My optimism is rooted in what I believe sets us apart – our people." ☺

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shipping with planes, trains AND MAKING AUTOMOBILES IN TENNESSEE

By Lauren Thibodeaux Emert and Lisa Hood Skinner

from assembly lines rapidly producing both electrified and internal combustion engine vehicles...

To massive facilities manufacturing both conventional and futuristic auto parts at a fast pace...

To worldwide companies quickly shipping those parts and millions of other packages through the state's transportation corridors into the four corners of the globe...

It's clear that Tennessee's transportation workforce supplies the mechanisms that **move** the world.

To be sure, many facets of the transportation-related industry itself have located in Tennessee near the state's three major automotive assembly plants: Nissan North America in Smyrna (Rutherford County), General Motors in Spring Hill (Maury County) and Volkswagen in Chattanooga (Hamilton County).

With that dominance comes world-renowned auto parts manufacturers such as DENSO and Toyota building nearby facilities, growing those roots and shipping their products inside and outside the state. Tennessee's strategic location is key: the Southeast region has 15 automotive assembly plants, and Tennessee is within a day's drive of another nine plants, due to its central location and well-maintained transportation network.

As a result, Tennessee ranks first in the nation for employment concentration in automotive manufacturing, with this industry 692% more concentrated in Tennessee than the average U.S. state. For total employment in this industry, Tennessee ranks second in the U.S. behind Michigan, but by 2023, Tennessee is predicted to rank first in the U.S.

And with recent expansions by shipping and fulfillment industry giants Federal Express and Amazon, the state plays a key role in supplying the world with the products it craves and more.

QUICK TENNESSEE TRANSPORTATION FACTS:

- 95K+ Miles of Highway
- 1.1K +Miles of Interstate
- 6 Commercial Airports
- 880+ Miles of Navigable Waterways
- 3K+ Miles of Main and Short Line Railroads
- Ranked #1 in the Southeast for Best Infrastructure – Business Facilities, 2017
- 27 Rail Systems, Including 6 Class 1 Railroads and 21 Short-Line Railroads Serving Small Communities and Rural Areas

PRIME LOCATION FOR MOBILITY SOLUTIONS

Shipping/ Logistics and Supply Chains Industries Covet Tennessee's Location

In the South, travelers driving east or west, north or south, often drive through Tennessee. The geographical business advantages are obvious. Main interstate arteries I-40, I-65 and I-75 (with quick access to Interstate I-81) go right through the state. In fact, Nashville is one of only six cities in the country where three interstates connect. More than 40% of the U.S. population lives within 600 miles of this capital city.

Tennessee's prime location, central to the nation's major interstates and air travel, well serves the state as a mecca for large-industry distribution, ensuring the region's capability to rapidly move goods and services.

FedEx in Memphis, Lebanon and soon, Sevierville and Amazon outside Nashville and in East Tennessee have become economic development game changers. In turn, the new locations spawn job creation and increased infrastructure/construction to support emerging businesses.

Lauren Thibodeaux Emert is Director of Economic Development, Blount Partnership, (lemer@blountpartnership.com).

Lisa Hood Skinner is Writer/Editor/Consultant to Blount Partnership (lisaskinner58@hotmail.com).

TENNESSEE MOBILITY MOVES THE WORLD

Tennessee deserves its consistent ranking as #1 in the Southeast for Best Infrastructure by Business Facilities Magazine. Its strategic location in the U.S., central to the nation's major interstates and air travel, has elevated the state's status for large-industry distribution – via planes, as with the Fed Ex Express World Hub in Memphis – or on main interstates traversed by rapidly expanding fulfillment industry titans such as Amazon – or upon its 800+ miles of navigable waterways and 27 rail systems. Industries of all sizes favor Tennessee's plentiful labor force and business-friendly tax structure. These combined factors help ensure the state's capacity to rapidly make and move goods, supplying the world with products it needs.

MAKE IT HERE. TAKE IT ANYWHERE.

Tennessee's leaders emphasize that making the best products in the world is just the first step. Those products must be rapidly delivered to customers and suppliers. The state's location allows access to all U.S. markets and across the globe:

By Air: In Memphis, FedEx's hub handles more than 1.5 million packages nightly and is the largest sorting facility in the world. It's also the busiest cargo airport in the Western hemisphere.

By Water: More than 12 million tons of cargo pass every year through the Port of Memphis, the nation's fifth largest inland shipping port.

By Land: Tennessee has more miles of 1-40 within its boundaries than any other state in the nation, with immediate access to seven other interstates.

By Rail: Tennessee, home to both eastern and western railroads, is one of the nation's most vital freight rail hubs. And importantly, the state annually transports over 200 million tons of freight by rail – a prime advantage for the more than 1,000 auto suppliers home based here. Tennessee's top export is transportation equipment, accounting for nearly 22% of the state's total exports.

FEDERAL EXPRESS: SEPARATE LOCATIONS ACROSS THE STATE PROVIDE JOBS, IMPACT

FedEx in Memphis

Officially founded in Little Rock, Arkansas in 1971, Federal Express company officials are transparent about one of the main reasons they moved their headquarters two years later to Memphis, in far west Tennessee. The Memphis International Airport is rarely closed due to bad weather and occupies a prime central spot in the U.S.

FedEx took its first round of flights out of Memphis on April 17, 1973 with 14 planes and 389 team members. That night, 186 packages were delivered to 25 U.S. cities.

Fast forward to today. Memphis is the home of the FedEx Express World Hub, which is responsible for about 99 percent of the overall cargo handled at the Memphis International Airport and features roughly 450 combined daily air arrivals and departures. The World Hub employs around 11,000 people.

The Hub is FedEx Express' primary sorting system in their global network – a network that delivers 14 million daily shipments on average. A highly sophisti-

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Sunlight reflects off the FedEx planes at McGhee Tyson Airport.

(Photo Courtesy of Paul Miller for the Blount Partnership).

cated operation with near-military precision, the Hub uses world-class technology, highly automated systems and cutting-edge logistics programs to serve the world. It recently debuted four small-package robotics sorting arms, each sorting approximately 1,200 to 1,300 packages hourly.

Industry experts applaud FedEx for gearing up through the e-commerce trends of the Covid-19 pandemic, when online shopping reached unforeseen heights as the population isolated but still needed (and wanted) items delivered to their doorsteps. During a June 30 earnings call last summer, FedEx CFO Alan Graf said FedEx Ground's huge cash flows, fueled in part by the pandemic itself (and now its resulting buyer/lifestyle shifts), have led to the company's heavier investment and expansion in its Ground facilities.

FedEx in Middle Tennessee

In late 2020, FedEx Ground staked its claim in the central portion of the state by opening another Tennessee-based facility, this one a half hour's drive outside Nashville. An estimated 12,000 packages are sorted hourly in that 450,000-square-foot regional facility in Lebanon, where upwards of 450 employees maintain its seven-day delivery service to nearly 95% of the U.S. population.

FedEx in East Tennessee

East Tennessee is benefiting from that Ground expansion. To keep up with the emerging trends and other future projections, FedEx now is building a 260,000-square-foot distribution facility in Sevierville, at the foot of the Great Smoky Mountains.

About 25 miles from Knoxville, the new FedEx Ground facility is hiring more than 170 workers and signing contracts with drivers and other staffers provided by local service providers. FedEx Ground's statewide foothold in Tennessee is part of its recent five-year expansion in which six new hubs and more than 50 automated hubs have opened throughout the U.S.

Sevier County Mayor Larry Waters said his community welcomes these investments. The new facility, to be

located in Kodak's new Interstate 40 Industrial Park, is supported by a strong local community workforce, easy access to major highways "and will be a great addition to our manufacturing, warehousing, and distribution companies," Waters said. FedEx Ground joins OTICS, USA, a Toyota parts manufacturer, and other companies that already have located in the new park.

AMAZON

Tennessee's current Amazon facilities include its Nashville operations center, seven fulfillment and sorting centers, two delivery stations, six locations at Whole Foods markets, one Amazon Books store and a Prime Now hub. Earlier this year, Amazon announced it had chosen Alcoa, Tennessee, for a new, state-of-the-art, 634,812-square-foot fulfillment center, anticipated to launch in 2022.

Bringing nearly 800 new, full-time jobs, the Alcoa facility is the third Amazon fulfillment center announced in Tennessee in just over 12 months, and is Amazon's third fulfillment center in the state to use innovative robotics technology. It is the company's eighth fulfillment center in the Volunteer State.

The Tennessee Department of Economic and Community Development (TNECD) notes since 2010, Amazon has invested more than \$9 billion in Tennessee, contributing upwards of \$8.7 billion into the state's economy. Amazon estimates its investments in Tennessee have created an additional 25,000 indirect jobs on top of the company's direct hires in the state. When Nashville's Metro Council approved a \$17.5 million incentive package to Amazon in 2019, in exchange for bringing 5,000 tech and corporate jobs to its planned downtown operations hub, it was the largest single new jobs announcement in the state's history. Estimates are that Amazon will deliver \$1 billion in new tax revenue before 2030. That one-million-square-foot Nashville operations center now employs the initial 1,000 employees of the promised 5,000 on the payroll.



This artist's rendition is for a new Amazon fulfillment center to be built in Alcoa, Tenn., anticipated to launch in 2022 and utilize innovative robotics technology.

(Photo courtesy of Amazon.)

BEST PRACTICES

Tennessee's Successful Cluster Strategy in Automotive and Transportation

The strong automotive cluster that's been strategically nurtured in Tennessee for the past 40 years is paving the road for success in automotive-related industries spanning the state. TNECD statistics show that the state's automotive cluster reflects the highest employment in the Southeast region and fourth highest in the nation. Add to that, the industries that primarily serve automotive manufacturers, and total employment in Tennessee exceeds 134,000.

Only 49 automotive suppliers were in Tennessee prior to 1980, whereas today the state boasts approximately 1,000 of these companies. These businesses are primarily motor vehicle parts manufacturers.

The counties with the highest employment in this cluster are Rutherford, Maury, Hamilton, Blount and Anderson. Workforce strength is exemplified by the automotive cluster's generous overlap in occupations. For example, fabricators, assemblers, machine setters, plastic and metal operators and even first-line supervisors are used in nearly every form of automotive manufacturing.

The state's advantageous transportation access, favorable tax policy, attractive incentives and ready work force signaled success for a growing cluster in domestic auto-related manufacturing in the Southeast segment of the nation. With the strength of the three OEM assembly plants here, it's no surprise that *Business Facilities Magazine* consistently has ranked Tennessee its top state for automotive manufacturing clout.

The automotive cluster strategy has played an important role in many areas, including:

- strengthening supplier networks;
- improving the labor force by offering competitive wages with long-term wage growth;
- assisting rural development, as shown by wages in rural areas trending higher (on average) for clustered industries rather than non-clustered industries – this strategy is key when new investment is aimed toward at-risk or distressed regions or counties; and
- increasing tax revenue, with a spillover effect in other counties and non-metro areas.

The state estimates that roughly one out of ten jobs in Tennessee's automotive cluster exists because of Tennessee's exceptional job growth. The cluster contributes more than 2.3% of the state's labor force and 21% of Tennessee's manufacturing employment.

TNECD has played a major role in economic development programs attracting automotive foreign direct investment (FDI) to the state. It cites research that the "Southeastern focus of global automakers is largely a result of dedicated pro-business strategies by government and economic development officials to enhance and leverage existing infrastructure and workforce resources, providing an attractive location for foreign manufacturers to better their competitive position in the world's largest consumer market."

Nashville is an ideal example of the power of the cluster. The decision made by Nissan to relocate its Gardena, California headquarters to Nashville most certainly reflects their efforts to draw upon supply chain efficiency, greater labor force pooling and innovation spillovers between nearby businesses. Thus, the cluster itself is a major attraction for new automotive companies considering the region, especially foreign manufacturers with an eye on complementary industries and suppliers' networks.

Additionally, Tennessee's key focus on job training plays a major role in its automotive cluster strategy. This has been achieved by devoting at least 18% of state funding for economic development incentive packages for job training, initiatives in creating partnerships between post-secondary institutions and manufacturers, and training programs in areas correlated to automotive occupations, such as precision metals and automotive technology. For example, in 2017, Tennessee institutions awarded 36,184 degrees and certificates in 309 programs of study related to careers in the automotive cluster.

AUTOMAKERS/OEM DRIVERS OF THE SOUTHEAST'S FASTEST GROWING AUTOMOBILE INDUSTRY

The twists and turns of a Smyrna "Circle 8" race track proved to be a lucky and ironic beginning of Tennessee's dominance in the automaking industry. Forty years ago, the location of that former stock car track became the birthing ground of Tennessee's now-thriving automaking industry and decades later spawned the state's first all-electric car, the LEAF.

Automaker Nissan Motor Manufacturing Corporation, USA broke ground on its Smyrna 778-acre headquarters in February 1981, ushering in the modern era of carmaking in Tennessee. At that time, it initially represented the single largest foreign investment by a Japanese corporation anywhere in the world, and it was the third foreign-owned automotive production plant in the nation.

A Nissan corporate officer involved in the location decision said "the overriding consideration in the company's site decision was centrality to markets and everything else was of secondary importance."

Location, Location, Location

Middle Tennessee's location, available transportation networks, amenable tax policy and affordable labor were key attractions for the Japanese to make an overall company investment of \$760 million on the 5.1-million-square-foot factory.

In June 1983, the first Nissan trucks began rolling off its modern assembly line, with 1,736 employees at the factory. It was the first major automaker to make its home in the state but certainly would not be the last.

Two years later in 1985, General Motors' Saturn plant in Spring Hill opened to great fanfare, signaling the coming dominance of the Southeast region for domestic auto production. And with the more recent 2019 groundbreaking for Volkswagen's electric vehicle plant in Chattanooga, the three major assembly plants' locations in Tennessee have paved the way across the state for exponential growth in automotive-linked industries in a cluster strategy.

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A CLOSER LOOK AT TENNESSEE'S CURRENT AND UPCOMING EVs

Nissan North America in 2013 the Smyrna plant began production of the all-electric LEAF. (Before 2013, the LEAF was exclusively produced in Japan.)

General Motors announced last year it will produce LYRIQ, an electric sport-utility Cadillac, at its Spring Hill plant in 2022.

Volkswagen is adding the electric ID.4 sport-utility to its Chattanooga lineup, also in 2022.

TENNESSEE: THE NATION'S LEADING STATE FOR ELECTRIC CAR OUTPUT

The state is ranked No. 1 in the Southeast for automotive employment. In 2017, its auto plants produced 1,005,198 vehicles overall, an increase of 18.1% from 2016 to 2017. And with the transportation electrification efforts already underway, additional job creation and economic development opportunities are around the corner.

In late 2020, TNECD Commissioner Bob Rolfe said Tennessee, already at the forefront of U.S. vehicle electrification and modernization, is poised to fulfill its goal as the top electric vehicle (EV) producer in the U.S. And now it's on the brink of becoming the only state with three major automakers turning out high-profile EVs, Rolfe said.

ELECTRIFICATION SPARKS TENNESSEE'S AUTOMAKING DOMINANCE

NISSAN: First in Electrification

In the decades since Nissan's groundbreaking in 1981, major expansions on the site, both in technology and output, would usher in phenomenal growth, including production of the electric LEAF. At present, the Smyrna plant, the highest-volume vehicle assembly plant in North America, produces the Maxima, LEAF, Murano, Rogue, Pathfinder and INFINITI QX60, and has capacity to build 640,000 vehicles yearly.

Branching out into another location, plans for a Nissan powertrain assembly plant in Decherd, Tennessee, were announced in 1995, with the factory going into production two years later. The Frontier light truck first rolled off the assembly line in September 1997. Today, Nissan's Decherd powertrain assembly plant manufactures engines for Nissan and INFINITI vehicles produced in the U.S. The plant also forges crankshafts and cylinder block castings.

GENERAL MOTORS: Tennessee Is Third EV Manufacturing Site

Launched in 1985, GM's Spring Hill plant now is the automaker's largest facility in North America. It will be GM's third electric vehicle manufacturing site and

its first outside of the state of Michigan. In late 2020, GM announced its investment of nearly \$2 billion in its Spring Hill manufacturing plant to build fully electric vehicles, including the all-new, luxury Cadillac LYRIQ.

The announcement adds to the more than \$2.3 billion GM has invested in the Spring Hill manufacturing plant since 2010. Gerald Johnson, GM executive vice president of Global Manufacturing, said the investments “demonstrate how committed we are to an all-electric future, and how we are investing in our communities and our employees to achieve that future by working together.”

“The partnership from the State of Tennessee and Maury County were key elements in making this investment possible, and I am very excited to see Spring Hill

Assembly play a leading role in our journey to transform the future of transportation,” he said.

The flexible vehicle assembly plant and Global Propulsion Systems plant are located on 2,100 acres, with 700 of those acres assigned to farming, and an additional 100 acres dedicated to a wildlife habitat.

The Spring Hill paint and body shops soon will undergo major expansions, and general assembly will receive comprehensive upgrades, including new machines, conveyors, controls and tooling. Traditionally-powered Cadillac products, including the XT6 and XT5, will continue to be built in Spring Hill.

Center for Automotive Research statistics show GM’s employment in Tennessee produces a 6.8 employment multiplier – which means there are 5.8 other jobs in

DENSO MANUFACTURING TENNESSEE, BLOUNT COUNTY

Profile in World-Class Transportation Technology; Training for the Future

DENSO North America planted its Tennessee roots in Blount County in 1988, beginning its Maryville operations two years later with the production of instrument clusters, starters and alternators. Since then, hundreds of millions of these parts and others have been made on that 230-acre campus. In fact, the company produces so many electrified and conventional auto parts, the common phrase now is “if you drive a car, it’s got a DENSO part in it.”

Evolving Technology: Keyless Entry, Sonar, Millimeter Wave Radar and More

The Tennessee manufacturing facility is DENSO Corporation’s largest single campus in North America. Primarily focusing on vehicle safety and electrification systems, its Maryville manufacturing campus now has added an array of electronics components and technologies, such as keyless entry, sonar, millimeter wave radar, body detection systems and “Phone as a Key” technology.

Working within Maryville’s five massive facilities, DENSO’s more than 5,000 employees manufacture these parts for major automotive companies. Customers include all major automotive manufacturers.

Bright Forecast: Additional Products and Employees, Advanced Training at the Facility

In late 2017, DENSO announced a \$1 billion investment in the Maryville facility to add an additional 1,000 new jobs for production of electrification and safety systems. In early 2020, it debuted its new 7,000-square-foot North America Central Region Technical Training Center, which is an investment of \$1.5 million into annual training for employees across the region. The training center is for all associates in North America who install, maintain and repair machines and DENSO robots.

DENSO’s North America Technical Academy Lead, Don Tracy, based at the Blount County facility, said the new center “serves as a training hub for DENSO technical talent. As the auto industry moves toward electrification and automated driving, DENSO is committed to providing innovative, tech-forward training grounds for its employees.”

As mobility advancements become a reality, Tracy sees a synergy for businesses and entrepreneurs to grow their companies nearby. And he predicts that research, development and production of advanced mobility technology will provide local Blount County jobs for decades to come, increasing sustainable area employment and community stability.



DENSO employees in East Tennessee are at work building automotive parts. DENSO is one of the top auto parts manufacturers in Tennessee and the world.

(Photo courtesy of DENSO.)

In early 2020, Volkswagen announced a research partnership with the University of Tennessee's Cherokee Farms in Knoxville, in which the entities will work with Oak Ridge National Laboratory to research lightweight car components and the development of electric vehicles.

the Tennessee economy for every direct GM hourly and salaried job in the state.

VOLKSWAGEN: EV Strategy Is Multi-Pronged

The third OEM, Volkswagen of America, has committed to the Tennessee market in a powerful and multi-pronged strategy. In Chattanooga, its \$800 million electric vehicle production site is under construction for a massive plant that has the annual capacity to assemble more than 100,000 EVs.

Additionally, last November, it held a groundbreaking to mark impending construction of the \$22 million Battery Engineering Lab at its Chattanooga Engineering and Planning Center. That facility will test and validate Georgia-manufactured battery packs and electric vehicle cells for the North American region. This includes batteries for the Volkswagen ID.4 all-electric SUV, scheduled to begin U.S. production in 2022. The new lab solidifies Volkswagen's hub for EV production and engineering in the region.

Dr. Wolfgang Demmelbauer-Ebner, EVP and chief engineering officer, Volkswagen of America, said testing batteries "in the U.S., at this world-class lab, helps us get vehicles to market faster, at lower cost and better tuned for U.S. customers. It also lets us ensure the safety and reliability of our batteries in conditions U.S. customers encounter every day."

In early 2020, Volkswagen announced a research partnership with the University of Tennessee's Cherokee Farms in Knoxville, in which the entities will work with Oak Ridge National Laboratory to research lightweight car components and the development of electric vehicles.

AUTOMOTIVE SUPPLIERS MULTIPLY, THRIVE

Toyota Motor Manufacturing, Tennessee

Toyota Motor Manufacturing, Tennessee employs 300 workers producing engine blocks and automatic transmission cases and housings on its 200-acre campus in Jackson. In 2019, it manufactured 1.6 million engine blocks and 870 K automatic transmission cases and housing.

In 2020, it announced an upcoming 10 percent workforce expansion with \$50 million in new investment.

Just over the state line, a new Toyota-Mazda plant in Huntsville, Alabama, is expected to employ 4,000 workers, generating additional new revenue opportunities for Tennessee's automotive suppliers.

ELECTRIFIED CONSORTIUMS, GROUPS SUPPORT AUTOMAKERS' EFFORTS

Recharging Tennessee's Economy: Transportation Electrification

Electrification of Tennessee's vehicle industry became a hot topic in 2020 with both GM and Volkswagen announcements regarding EV manufacturing. Governor Bill Lee voiced support for the state's push for electrification as an expansion strategy, saying "It's only fitting for the state to be steering into the EV future. Tennessee is committed to supporting the growth of advanced manufacturing, and in the automotive sector, the focus is on electric vehicles."

Rolfe also underscored Tennessee's plans in becoming the number one state in the country for EV production, since it already holds the top spot in the Southeast. "When it comes to the Southeast, it's not only to be the leader, but also have a large market share," he said.

The commissioner added that \$4.2 billion has been invested in upgrading or adding new facilities to manufacture EVs, and annual purchases of these vehicles in the state exceeds 16,000. The EV strategy is strengthened with several initiatives and consortiums of supportive organizations.

Drive Electric Tennessee (DET)

Looking to the future, the state has launched the Drive Electric Tennessee (DET) initiative with a major goal of having 200,000 EVs on Tennessee's roads by 2028.

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as an expansion strategy, saying "It's only fitting for the state to be steering into the EV future. Tennessee is committed to supporting the growth of advanced manufacturing, and in the automotive sector, the focus is on electric vehicles."

Three years ago, a community of stakeholders, including electric utilities, universities, cities, electric vehicle manufacturers, businesses, advocacy groups and state agencies such as the Tennessee Department of Environment and Conservation (TDEC) and Tennessee Department of Transportation (TDOT), worked on a plan of goals and guiding principles for increased Tennessee electric vehicle adoption over the next 5-10 years.

DET was formed, with a “roadmap” that encourages EV adoption and identifies projects and initiatives such as charging infrastructure, consumer awareness, vehicle availability and supportive programs and policies.

Tennessee Advanced Energy Business Council (TAEBC)

The Tennessee Advanced Energy Business Council (TAEBC) champions advanced energy as a job creation and economic development strategy, with transportation electrification falling under the advanced energy section. Its 2018 Tennessee Advanced Energy Report states that advanced energy contributes \$39.7 billion to state gross domestic product and employs nearly 360,000 Tennesseans.

In late 2020, TAEBC signed on to the Transportation Electrification Partnership’s \$150 billion federal stimulus proposal, advocating a multi-billion-dollar federal investment in transportation electrification to create 2.3 million high-quality, advanced energy jobs across the country.

This would include \$85 billion for electric vehicle charging and related infrastructure; \$25 billion invested in building and adopting electric and zero-emissions vehicles along with supply-chain development (producing domestic lithium for batteries, etc.); \$25 billion for zero-emissions public transit, active transit and safe streets; \$12.5 billion for workforce development, safety standards and job training; and \$2.5 billion in innovation ecosystems for cleantech startups and related small businesses, prioritizing those created by underrepresented founders.

In late November 2020, the Tennessee Valley Authority Board of Directors developed a new commercial rate structure to support EV charging stations across the state, taking a big step in expansion of electric vehicle charging infrastructure, thus encouraging more electric vehicles on Tennessee’s highways.

TennSMART Launches Automotive & Mobility Mentor Network

TennSMART, a statewide consortium of public and private organizations working to advance intelligent mobility solutions in Tennessee, recently launched an Automotive & Mobility Mentor Network, joining an already established mentor network program supported by entrepreneurial Launch Tennessee. Launch Tennessee is a public-private partnership with a vision to make

The new automotive-associated mentor network pairs mentors with promising new companies through a structured, stage-gate process involving one-on-one mentoring sessions and panel presentations on timely topics. The program’s purpose is to develop quality startups and expand the automotive, transportation and mobility sectors in the state.

Tennessee the most startup-friendly state in the nation.

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“TennSMART is proud to partner with LaunchTN to run the Automotive & Mobility Mentor Network,” said Claus Daniel, Board president of TennSMART and director of Applied Energy Programs at Oak Ridge National Laboratory. “We established this consortium in order to connect the smart mobility sector in Tennessee and bring automotive, intelligent mobility and energy efficient technologies to market for improved transportation. We look forward to furthering this goal by mentoring entrepreneurs who play such a vital role in our state’s innovation economy.”

Van Tucker, LaunchTN’s chief executive officer, said regulations and supply chain issues can make it “difficult for auto startups to break through and make connections to the industry. We’re thrilled to offer a way for startups to bring their innovations before industry experts, and believe that TennSMART’s broad view of intelligent mobility will open doors for all kinds of exciting companies.”

RAIL: Flourishing Due to Innovation and Modernization

A solid cornerstone of the state’s economy, freight rail and its importance is underscored by the fact that Memphis currently is the nation’s third-largest rail center. With its geographical uniqueness of being home to both eastern and western railroads, Tennessee’s rail assets are considered indispensable for the state’s prominence in the transportation sector.

With 27 freight railroads operating more than 3,000 miles of track in Tennessee, the rail industry’s investment in smart technology and safety enhancements enables the state to connect efficiently with national and global

In late 2020, the push for new innovative rail facilities resulted in a \$7 million BUILD Grant from the U.S. Department of Transportation to assist with rail construction to connect to the Port of Cates Landing in Lake County. The project clears the way for Tennessee to host a second major port along the Mississippi River Super Waterway for barge transportation.

markets. Examples of freight rail safety innovations include automated braking technologies that can eliminate human error, as well sensors, data analysis and machine learning capabilities that can detect rail safety threats before issues arise.

In late 2020, the push for new innovative rail facilities resulted in a \$7 million BUILD Grant from the U.S. Department of Transportation to assist with rail construction to connect to the Port of Cates Landing in Lake County. The project clears the way for Tennessee to host a second major port along the Mississippi River Super Waterway for barge transportation.

TNECD officials said the funds will construct 5.5 miles of rail to connect the TennKen Railroad to the Port of Cates Landing and adjoining industrial park, opening both locations to additional job creation and development opportunities in Tennessee's most economically disadvantaged county.

Distressed counties rank among the 10 percent most economically distressed counties in the nation, as defined by the Appalachian Regional Commission. Last summer, it was announced that Tennessee has the fewest distressed counties statewide since 2007, down from 15 counties in 2019, to 11 counties.

The project will ensure rail, truck and barge access to the Port of Cates Landing and Lake County Industrial Park, a Select Tennessee Certified Site. Once complete, the project better positions the Northwest Tennessee region for investment by companies considering the site for projects requiring rail access.

SUMMING IT ALL UP: LOCATION, AMBITION, INNOVATION

Tennessee's economic development leaders use the phrase "Make it here. Take it Anywhere." It's a solid summation of the state's efficient manufacturing as well as its shipping strength to all four corners of the world.

Blessed by its central location in the country and fairly mild winters, Tennessee's transportation infrastructure delivers – with rapid access within the U.S. and across the globe. As increased numbers of companies take advantage of the state's favorable attributes, it's clear that Tennessee's transportation workforce supplies the mechanisms that move the world. ☺



The image is a promotional flyer for the International Economic Development Council (IEDC) 2021 Education Courses. The top half features the IEDC logo, which includes a globe icon and the text "INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL". Below the logo, the text "IEDC 2021 EDUCATION COURSES" is prominently displayed in large, bold, sans-serif letters, followed by "ONLINE JULY - SEPT" in a slightly smaller font. The bottom half of the flyer is a white rectangular box containing six course descriptions, each with an icon and a brief description. The courses are:

- Real Estate Development and Reuse** (July 15-16): Icon shows a building with a key.
- Accelerating Growth through Entrepreneurship-Led Economic Development** (July 29 - 30): Icon shows a rocket launching.
- Economic Development Strategic Planning** (August 12-13): Icon shows a computer monitor with a map.
- Entrepreneurial and Small Business Development Strategies** (August 26-27): Icon shows a person holding a dollar sign.
- Workforce Development Strategies** (August 31 - September 1): Icon shows a person holding a briefcase.
- Economic Development Credit Analysis** (September 15-17): Icon shows a hand holding a calculator.

At the bottom of the white box, the text "View all upcoming education courses at www.iedconline.org/courses" is displayed.



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traveling the trails of TENNESSEE'S TOURISM

By Kim Farmer Mitchell and Lisa Hood Skinner

Kim Farmer Mitchell is Director of tourism, Blount Partnership, kmitchell@blountpartnership.com).

Lisa Hood Skinner is a Writer/Editor/Consultant to Blount Partnership, lisaskinner58@hotmail.com).

music trails. Whiskey trails. Outdoor adventure trails. And all that lies in between.

Tourism has helped redefine Tennessee's identity, brand and brashness.

Tennessee's tourism moves with the beat of the state's musical melting pot – from its country music scene, to down-home Appalachian bluegrass, to the languid notes of jazz and blues – and fusions of all these genres. It's the lyrical soundtrack of a state filled with songs to sing, breathtaking vistas to view, rivers to explore, mountains to hike and whiskey trails to travel on down the road.

It's only fitting, then, that the state chose the concept of "trails" to define and brand some of Tennessee's most exciting and profitable destinations for tourists to visit.

MUSIC TRAILS OF TENNESSEE

Through the state's Music Trails campaign, tourists are encouraged to explore the roots of the state's music by designing customized travel across the state – west to east, or east to west – to hear each particular region's distinctive sound and to meet the people who drive that beat.

West Tennessee's Memphis blues can be as smooth as a trip down its Mississippi River. **East Tennessee's** rolling hills and mountains are a perfect accompaniment for its rollicking Appalachian bluegrass.

And in **Middle Tennessee**, Nashville is synonymous with the country music scene, comprised of legendary bars and world-class recording studios. But the town can also dish up just about any other type of genre you'd want to hear – from jazz to country to soul to rockabilly, to gospel and rock 'n' roll.

It stands to reason that because Tennessee delivers "on all musical cylinders," the Tennessee Department of Tourist Development designed scenic trips around the concept of trails and pathways for tourists to move around the state on musical journeys. Recently, those trails have been designed in defined ways, complete with passports.

Passports to The Soundtrack of America

The Music Trail offers a statewide journey in exploration of these homegrown Southern sounds. In late 2019, Tennessee rolled out actual passports marking



Tourists crowd the streets of downtown Nashville, enjoying a variety of musical styles, artists and venues.

THE SOUNDTRACK OF AMERICA. MADE IN TENNESSEE. TAKIN' IT OUTSIDE.

Tennessee's tourism business, the state's second largest industry, attracted \$23 billion in domestic and international travel spending, generating more jobs than any other industry in 2019. It outpaces the nation in all areas of travel, including tax revenue, expenditures, payroll and employment.

The state's branded tourism campaigns reflect the Trails philosophy:

- designated **Music Trails** which offer visitors a diversity from foot-stomping country music to soulful blues, and from smooth jazz to rowdy bluegrass;
- newly formed **Tennessee Whiskey Trails**, with 27 registered distilleries and 32 stops statewide featuring the history and flavor of each region; and
- adventure tourism and eco-tourism on **Outdoor Trails** through the state's waterways, mountains and wildlife areas.

lyrical destinations, in which tourists are incentivized to check off their visits to 22 of the state's most iconic locations.

The state Department of Tourist Development inserted foldable Country Music Passports in its 2020 Tennessee Vacation Guide but also made the passports

available in other ways, such as at the state's 16 welcome centers, in various museums and locations, by request, and in downloadable form on its website.

The passports also offer limited prizes for participants, including a branded Tennessee Music Pathways guitar for visiting all 22 sites. Part of the Tennessee Mu-

MUSICAL TRIVIA: SOME FEATURED LOCATIONS FROM WEST TO EAST

West Tennessee

- In Memphis, home of the blues and birthplace of rock and roll, there's actually an "X" on the **Sun Studio** floor in the center of the room where **Elvis Presley** stood while recording. To many visitors, nothing compares to standing in the places where history was made.
- Elvis' home, **Graceland Mansion**, attracts thousands of tourists who are excited to walk inside the house where the King of Rock and Roll ate fried peanut butter and banana sandwiches and sped around the grounds on Golden Palomino horses and go-carts.
- **Beale Street Historic District's** "Home of the Blues" in Memphis is a rowdy walk into the past where you can still hear echoes of entertainers such as the 1920s-era's W.C. Handy, to jazz great Louis Armstrong in the decades to follow, to mid-century blues icon B.B. King. These days, lively music reminiscent of these legends spills out of the colorful restaurants, bars and venues late at night through dawn, paying homage to those colorful characters and other greats such as Howlin' Wolf and Muddy Waters.
- **Aretha Franklin**, the first female Rock and Roll Hall of Fame inductee, was born at 406 Lucy Street in Memphis, while her father, a well-known preacher named C.L. Franklin, was pastor of the New Salem Church there. She's most often associated with The Motor City of Detroit, but her roots and musical foundations were firmly laid here.

Middle Tennessee

- It's no coincidence that Nashville's **Ryman Auditorium**, storied home of the **Grand Ole Opry**, is considered the "Mother Church of Country Music" and somewhat hallowed ground. In this building originally built for preachers, bluegrass and country music intersected to form an explosion of both genres. While making his Grand Ole Opry debut, legendary **Hank Williams** sang and yodeled no less than six encores of "Love Sick Blues." **Johnny Cash** met future wife **June Carter** here. The queen of country comedy **Minnie Pearl** (who in real life was well-heeled philanthropist Sarah Cannon) donned her iconic straw hat (dangling a \$1.98 price tag) and commanded the stage chortling her signature call, "How-w-w-DEE-E-E-E!" And the stories go on and on.
- In fact, behind the Ryman, tourists can walk down the same alley that Opry stars would tumble out into, post-performance, headed for **Tootsie's Orchid Lounge**, a colorfully-painted purple bar where the performers gathered and made history in other ways. **Roger Miller** is rumored to have written "Dang Me" here, and it's said that **Willie Nelson** got his first songwriting gig inside the famous honky tonk. Up and coming and famous stars rubbed elbows there, including **Patsy Cline**, **Mel Tillis**, **Kris Kristofferson** and **Waylon Jennings**. Nightly, it has three stages that host live local talent.
- The **Country Music Hall of Fame and Museum**, another must-see on the Music Trail, houses the world's largest collec-

tion of country music artifacts from both legendary and current entertainers within its 350,000 square feet of archive and gallery space. The museum's collection of photographs, sheet music, famous costumes, films, historical cars, musical instruments and other items is mind-boggling enough, but the museum walls hold a special architectural secret. The outside of the building forms a gigantic bass clef, and the point on the sweeping arch evokes a 1959 Cadillac sedan's tailfin. The massive building's front windows resemble keys on a piano, and the tower on top of the Rotunda extending down the Hall of Fame is a replica of WSM Radio's iconic diamond-shaped radio tower.

East Tennessee

- Country music's much-beloved singer-songwriter **Dolly Parton** was born and raised in the Great Smoky Mountain foothills near **Sevierville**. She packed her bags for Nashville the day after high school graduation, beginning her path to international fame and acclaim. The **Dolly Parton statue** sits on the Sevier County Courthouse lawn, where, during the early days of the pandemic, her likeness sported multiple different facemasks (appropriate, since Parton also donated \$1 million last year to Covid-19 research leading to a vaccine).
- Next door in **Pigeon Forge**, nearly 3 million tourists in a typical season visit her **Dollywood** entertainment park, which employs local residents, talented musicians, dancers, entertainers and some of Dolly's friends and family members. It is the biggest ticketed tourist attraction in Tennessee.
- In Knoxville, public-radio station **WDVX** once was known for its renegade broadcasts out of a small rural camper. These days its current location is in the 100-year-old **Knoxville Visitor's Center** (downtown), where it hosts the noon hour **Blue Plate Special**. The free weekday live roots-music broadcasts are emceed by a tall redhead named, appropriately, Red.
- Down south of Knoxville, **Chattanooga's** musical claims are diverse but notable. It's the birthplace of blues legend **Bessie Smith**. The town's southern railroad hub was glorified in Glenn Miller's 1940s big-band classic "Chattanooga Choo-Choo." Chattanooga also is the early childhood home of **Usher**, born Usher Raymond IV, the Grammy-winning singer of urban hits like "Yeah!" and "Trading Places." It's said he developed his love of singing in the youth choir at the St. Elmo Missionary Baptist Church.
- Finally, in uppermost East Tennessee, the **Birthplace of Country Music Museum** in **Bristol** pays homage to producer Ralph Peer, who set up a makeshift studio in an old hat warehouse and spent 12 days in 1927 recording 76 songs and 19 different artists. Today, those recordings known as the Bristol Sessions – the "big bang of country music," are credited with launching the careers of stars like the Carters and Jimmie Rodgers. A 20-foot guitar welcomes Bristol's visitors and proclaims its musical roots stature in the state.

The Volunteer State's tourism industry reached its 10th consecutive year of record-high growth in 2019. Tennessee attracted \$23 billion in domestic and international travel spending in 2019, according to annual data from the U.S. Travel Association, released August 2020.

sic Pathways program is the Ken Burns Music Pathway, named in honor of the legendary documentarian who explored uniquely American musical forms in his latest PBS film *Country Music*.

The state's tourism group collaborated with Burns to encourage visits to the places featured in his documentary, promoting the passport as "a guide to help discover the endless music gems across the state." Visitors can do as many or as few of the stops as they wish, driving along the newly-launched Tennessee Music Pathways route.

THE MONEY TRAIL: 2020 U.S. TRAVEL ASSOCIATION SHOW REPORT

The Volunteer State's tourism industry reached its 10th consecutive year of record-high growth in 2019. Tennessee attracted \$23 billion in domestic and international travel spending in 2019, according to annual data from the U.S. Travel Association, released August 2020.

"Tourism is our state's second largest industry," said Governor Bill Lee. "Coming off another record year, this data underscores the tremendous positive tourism impact on our state's revenue." In fact, tourism dollars were only surpassed by the agricultural industry in Tennessee's economy in 2019.

With an eye to the future, Tennessee Department of Tourist Development Commissioner Mark Ezell said he believes the state's natural strengths are so strong, Tennessee will become the nation's top non-beach state for tourism growth. "We're constantly exploring new opportunities to inspire growth across the state, drive jobs and economic growth, including in rural, at-risk and distressed counties," Ezell said.

Additionally:

- Tax revenues generated through hospitality and tourism deliver more than \$1 billion a year to tax revenue in the state.
- Leisure and hospitality sectors make up the highest number of jobs among all industries.
- Tennessee visitors spent around \$64 million per day in 2019, boosting state and local tax coffers by \$1.9 billion.
- In 2019, Tennessee outpaced the nation in all areas of travel; including tax revenue, expenditures, payroll and employment.

- The leisure and hospitality industry produced more jobs than any other industry in 2019.
- Tourism generated over \$75 million in new state and local tax dollars in 2019, approximately half of which directly supports public education. Those tax dollars also support public safety, health and human services, business and economic development.
- Travel in Tennessee generated 195,000 jobs and \$1.92 billion in state and local tax revenue. Revenue generated saved each household in the state \$748 in taxes, an increased savings of almost \$40 compared to 2018.

These numbers reflect tourism's significant impact prior to the ongoing COVID-19 crisis. The U.S. Travel Association predicts the travel economy in Tennessee could see a 35-45% decline in 2020 from 2019.

TENNESSEE WHISKEY TRAIL: A STUDY IN COOPERATION AND DEVELOPMENT

For generations, a Southern stereotype held fast that "revenuers" a.k.a. "the Government," waged constant battles against the countrified alcohol makers, such as moonshiners, whiskey distillers and others. And yet, in 2009, a simple change in Tennessee law opened the door for the burgeoning Tennessee Distillers Guild and their resulting **Tennessee Whiskey Trail** launch. Today, that trail consists of approximately 27 registered distilleries and 32 stops across the state, and it's still growing.

Proud Heritage Revisited After a Century

In 1910, more than 300 registered distilleries existed across the state before the Prohibition era began in Tennessee. The effects of the strict Prohibition alcohol bans effectively killed the industry until 1939, when the people of Moore County voted to allow the Jack Daniels Distillery to reopen. George Dickel opened in the 1950s, meaning a state known the world over for Tennessee Whiskey had only two distilleries nearly 20 years after the end of Prohibition.

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A Tennessee law, requiring a voter referendum in each county on the question of whether to allow distillation, was to blame for hamstringing the state's whiskey heritage. In 2009, this referendum requirement was lifted across the vast majority of the state, and entrepreneurs from Memphis to Bristol started making spirits as diverse as the Tennessee countryside, music and people.

As more distillers opened in Tennessee, the Tennessee Distillers Guild was established to bring one voice to the Tennessee capital where Prohibition era laws were in desperate need of reforms. Formed in 2014, the Tennessee Distillers Guild also looked to capitalize on that booming spirits industry with an organized marketing tool to showcase the state's spirit makers. The potential rewards were clear: in 2015 alone, Tennessee distillers exported \$691 million in spirits, ranking as one of the state's top exports and over half of our nation's spirits exports.

The seed of an idea to form a cohesive trail connecting the two dozen members was born, and in 2017, it became a reality. That connection between the distillers is an important component to success, said Alex Castle, master distiller and senior vice president of Old Dominick Distillery in Memphis, "because banding together increases our power as a whole."

Castle said the comradery aspects of the industry "are some of the best things about it, in my opinion. While all the distilleries are technically competitors, we're also friends and are in this together."

"We ask each other about suppliers, about future and past employees (and give references) and all across the board. If a piece of equipment breaks down, another distillery will loan one to you," Castle said. "We wanted to become part of the Tennessee Whiskey Trail as soon as we opened up, and we want the trail to succeed."

When the laws changed ten years ago, additional new craft distilleries began rebuilding Tennessee's whiskey heritage. In fact, the history and heritage of Tennessee whiskey is an overriding commonality with many of the families involved in the industry, said Andy Nelson, founder and head distiller of Nelson's Green Brier Distillery.

A family-run distillery, it recently reopened after being dormant for nearly 100 years, a victim of Prohibition era laws. Nelson said that he and his brother Charlie "are on a mission" to restore his family's bustling whiskey business that once was bigger than Jack Daniels, adding that "we just knew we had to do this. It was an obvious choice."

"I'd like to think our great-great-great grandfather would be pretty proud that we're resurrecting the brand that he started back in 1860, the original (and trademarked) Tennessee Whiskey," Nelson said. "Our goal is to bring it back to national and international distribution."

The Tennessee Whiskey Trail includes a ten-day suggested itinerary on its website for serious whiskey enthusiasts or visitors from afar who want to visit all 27 distilleries during one trip. The itinerary includes sight-seeing and restaurant recommendations along the way. Trail participants can complete the tour on their own time and in any order they prefer. TNVacation.com offers charter options that transport groups from distillery to distillery.

Modeling a Best Practice: The Kentucky Bourbon Trail

The Kentucky Distillers' Association launched the Kentucky Bourbon Trail in 1999. Its 10-stop tour takes visitors to notable distilleries including Jim Beam, Maker's Mark and Woodford Reserve. The trail has seen nearly 2.5 million visitors from every U.S. state and 25 countries in the last five years.

The Tennessee Whiskey Trail initially was modeled after what Kentucky has already successfully done for bourbon – but Tennessee took it to another level, in a welcoming atmosphere that launched craft spirit makers and spurred the operation of additional distilleries statewide. Distilleries on Tennessee's tour range from big players such as Jack Daniels and George Dickel, to newer spirits makers including Nashville Craft and Chattanooga Whiskey Co.

On the Trail, visitors learn about the art of distilling, the history and the culture of whiskey-making. Visitors can collect stamps at each distillery to begin filling their passports, which are available online. Those who collect all 27 stamps receive a gift to mark their achievement.

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Tours Go High Tech: Apps, Digital Options

To make the trail even more navigable, the Distillers Guild created a free app available for both iOS and Android devices that allows users to check in to each distillery, read more about the history of each area, take notes and earn stamps for their passports.

WHISKEY TRAIL TRIVIA: SOME FEATURED LOCATIONS FROM WEST TO EAST

West Tennessee

- **Old Dominick Distillery:** Brothers Chris and Alex Canale (of the Canale family who founded Memphis' legendary grocery, liquor and wines business in the mid-1800s) decided to build a distillery after the 2013 surprise discovery of an unopened bottle of Old Dominick Toddy from the late 1800s. Erected in downtown Memphis, the new distillery produced its first batch of Tennessee Whiskey in 2016, the first time since prohibition that whiskey legally had been distilled in the city. Old Dominick joined the Whiskey Trail in 2017 as the trail's sole West Tennessee destination.

Middle Tennessee

- One of Tennessee's newest distilleries, **H. Clark Distillery**, in Thompson's Station 40 minutes south of Nashville, is the first legal operation in Williamson County in a century. "Legal" actually is the correct term here: the distillery's tasting bar and retail store and Clark's law practice are all located in a century-old 1,200-square-foot granary.
- Tourists visiting **Leiper's Fork Distillery** step back in time – literally. In a log cabin dating from the 1800s, visitors learn the history of Tennessee whiskey making, watch its production from beginning to end and spend time in the distillery's historic tasting room/retail center.
- Most historic? That would be the famed **Jack Daniels** distillery in Lynchburg in south central Tennessee, the first registered distillery in the U.S., dating back to 1866. The granddaddy of them all draws hundreds of thousands of visitors yearly and is on the National Register of Historic Places.
- The most infamous? Al Capone is rumored to have been linked to **Short Mountain Distillery**, located outside Nashville. Legend has it that this Woodbury farm's cave spring was once used to supply the notorious gangster's moonshine inventory.

(Photo courtesy of Blount Partnership)



The Jack Daniel's Distillery tour in Lynchburg, Tennessee is a popular stop on the Tennessee Whiskey Trail.

TENNESSEE WHISKEY TRAIL BY THE NUMBERS

- 6,600,000+ visitors to Tennessee Whiskey Trail distilleries each year
- \$256,000,000+ capital investment
- 200,000 passports distributed
- 9,543 app downloads
- 17,144+ app check-ins
- 99% of all distilled spirits produced in Tennessee are on the Trail
- 2.6+ million barrels: total whiskey barrel inventory in the state
- \$5.2+ billion value: total value of whiskey inventory in the state
- \$1+ billion exports: value of annual Tennessee Whiskey Trail exports
- 1,719 employees: working at Tennessee Whiskey Trail distilleries

East Tennessee

- Nestled in the foothills of the Smoky Mountains, **Old Forge Distillery** crafts spirits using stone-ground grains from The Old Mill, one of the oldest continually operated gristmills in America. Located in the heart of the historic Old Mill Square in Pigeon Forge, Old Forge makes small-batch Tennessee spirits including award-winning moonshines, cream liqueurs, bourbon, vodka and its more recently-released Rock & Rye line.
- While on the Whiskey Trail in East Tennessee, a must-see spot in downtown Gatlinburg is **Sugarlands Distilling Co.**, which opened in 2014 as a locally-owned brand producing quality, craft spirits. Its premium pot-distilled whiskey was named "2019 Best Whiskey of the Year" by the American Craft & Spirits Association and is available twice yearly in limited releases. The dynamic company is on the fast-track to speed up its regional production by building an additional distillery in Kodak, which is befitting Sugarlands' designation as "Official Moonshine of NASCAR."

TAKE IT OUTSIDE

OUTDOOR TRAILS: DISCOVER TENNESSEE TRAILS & BYWAYS PROGRAM...AND MORE

Adventure tourism and eco-tourism have naturally arisen from the state's immense assets of well-maintained waterways, lakes, mountains and wildlife areas – from backpacking and kayaking to ziplining and hang gliding (and more!). In the previous months of pandemic social distancing, these outdoor activities were even more highly sought after by Tennesseans and outside tourists alike.

Tennessee's beauty, history and family adventure can make adventuring into the hills and hollers feel like a step back in time to the days of David Crockett. The Discover Tennessee Trails and Byways program provides a valuable resource for doing just that.

The program offers a multitude of sights including roadside attractions, nearby waterfalls, pick-your-own produce farms, and 16 scenic self-driving routes throughout Tennessee's 95 counties. Many of the routes have colorful and imaginative names such as "Screaming Eagle," "Pie in the Sky," "Walking Tall," "White Lightning," "Promised Land" and "Top Secret." Examples include:

West Tennessee

- A journey through the West Tennessee Delta includes exploration of the **West Tennessee Agricultural Museum** to find out about agrarian life. At **Tripp Country Hams** in Brownsville, visitors can bring home the bacon made from a secret decades-old family recipe. A winding boardwalk traverses the 162-acre cypress forest at **Cypress Grove Nature Park** in Jackson.
- In Waynesboro, **Middle Green River Stables** offers ponies or horses to explore 2,700 acres of trails. A self-guided, 10-mile driving tour through **Shiloh National Military Park** gives insights into one of the most violent battles in the Civil War.
- West Tennessee visitors can also view many **quilt trails** through Houston, Stewart and Benton counties, showcasing quilt patterns passed down through generations.

Middle Tennessee

- Visitors can paddle canoes down the Red River near **Port Royal State Park** and purchase farm fresh milk, vegetables and farm-raised beef at **Gammom Family Dairy** in Orlinda, or float along the 80 miles of shoreline on **Dale Hollow Lake** by houseboat. Ashland City's **Blue Heron Cruises** are a popular way to see wildlife in the Cheatham Wildlife Management Area.
- **Reelfoot Lake**, about three hours outside Nashville, was formed by earthquakes that occurred along the New Madrid Fault in the winter of 1811-12. In the upheaval, land on the east side of the Mississippi River sank, creating a depression that river water rushed in to fill, forming a lake.

East Tennessee

- Hikers of all ages can explore nature on more than 800 miles of trails in the **Great Smoky Mountains National Park**, our nation's most visited national park. For those who would rather ride, numerous horse trail rides are offered in **Cades Cove** in Townsend, or up in **Big South Fork National River and Recreation Area**. For those who would rather bike, the East Tennessee region boasts six mountain biking parks and trails, promoted by the



(Photo courtesy of Blount Partnership)

Tourists enjoy a variety of outdoor adventures in the Great Smoky Mountains National Park.

Clinch Valley Trail Alliance. For those who would rather float, **Ocoee Whitewater Center** in Copperhill provides yearly thrills (and was one of the competition sites of the 1996 Olympics.)

- Underground adventurers can explore the **Appalachian Caverns** near Blountville, which were inhabited by early Native Americans, pre-Revolutionary War soldiers and early explorers such as David Crockett and Daniel Boone. At **Cumberland Gap National Historical Park**, rangers lead a two-hour caving adventure. And at **Bristol Caverns**, well-lit walkways wind through vaulted chambers and along the banks of an ancient underground river.
- Aboveground in Bristol are winding trails of another sort: **Bristol Motor Speedway**, known as one of the crown jewels in the racing world. It's an undisputed mecca for NASCAR fans who see their favorite drivers and cars racing around the famed half-mile concrete oval. The Speedway also hosts outdoor events such as concerts, football games and a drive-through Christmas lights display.

BUSINESS CASE: COVID & TOURISM

Tennessee's tourism business was off to a strong start in 2020 until the COVID-19 pandemic created the largest crisis ever seen for the modern leisure, hospitality and tourism sectors. High-population areas with robust tourism, such as Nashville and Memphis, were experiencing the biggest economic losses, while visits were on the upswing in East Tennessee's scenic Great Smoky Mountains National Park.

Beginning in March 2020, East Tennessee attracted a lion's share of the state's tourism spending, with the idea of social distancing in the mountains becoming attractive to citizens who had spent weeks and months sequestered at home. In mid-2020, state officials said that lodging occupancy rates in East Tennessee were out-performing Nashville, Memphis and the state as a whole, due in part to the eastern region's outdoor alternatives.

The Tennessee Department of Tourist Development received \$25 million in CARES Act funding to re-energize and remarket the tourism industry to assist in its recovery, promote safety and inspire responsible travel.

Funding was used to demonstrate how travelers could safely enjoy activities and attractions; to promote outdoor activities; to fund a campaign with messaging around the value of masks, social distancing and sanitization; and for messaging in all 16 state welcome centers.

Safe Travels: For the Love of the Family Road Trip

An inspired strategy funded through the tourism department's efforts also came in the form of "The Family Road Trip" web series, in which singer-songwriters Drew and Ellie Holcomb loaded their three rambunctious kids into an Airstream camper for an epic 1600-mile road trip through Tennessee. The web series followed their adventures visiting various sites statewide, finding inspiration together, and even writing some songs along the way – all while traveling safe.

Music Industry Itself Lends Support

Innovative efforts were launched to diminish the pandemic's effects on the crippled performing industry. In fall 2020, The Nashville Convention & Visitors Corp. partnered with Nashville's Music City Venue Alliance to launch Music City Bandwidth virtual concerts presented by Jack Daniels, with the aim to help music venues and Nashville-area musicians survive.

The creatively-named "Keep the Music Playing" campaign included nightly concerts presented by Jack Daniels, complete with the opportunity to purchase "Jack Snack Packs" containing concert concessions and souvenirs such as a Music City shot glass, Old Fashioned drink mix, Prohibition Popcorn, Lil' Goos and a Nashville Guitar pick bottle opener.

Additionally, the Academy of Country Music (ACM) Awards, the star-studded yearly awards show held each fall, was reconfigured for social distancing, broadcast on CBS and CBS All Access, and held in three iconic

Nashville music venues: The Grand Ole Opry House, Ryman Auditorium and The Bluebird Café. Hosted by Keith Urban, performers included Carrie Underwood, Eric Church, Luke Bryan, Taylor Swift, Tim McGraw, Miranda Lambert and Blake Shelton with Gwen Stefani. The ACM itself raised more than \$2 million for musicians struggling over the holiday season.

THE BRIGHT FUTURE OF TENNESSEE TOURISM

Mark Ezell, Tennessee Department of Tourist Development commissioner, said Tennessee's wide array of destinations and diverse geography lends itself to socially distanced vacations, and he encouraged travelers "to safely explore, support local businesses and attractions, create family memories, discover outdoor scenic beauty where social distancing is a natural, take road trips, explore rural destinations and hidden gems that drive visitation."

Governor Lee said tourism in Tennessee looks bright in the years ahead. He said tourism is "one of the most powerful drivers of Tennessee's economy, creating jobs and fueling revenues that support everything from better schools to safe neighborhoods. Tennessee's unique attractions, authentic communities and exceptional events set our state apart and make us a global destination of choice."

"I look forward to the time when we can gather together again at our festivals, sporting events and more. As we've seen now more than ever, travel and tourism are vital to restoring economic health and recovery in Tennessee." ☺



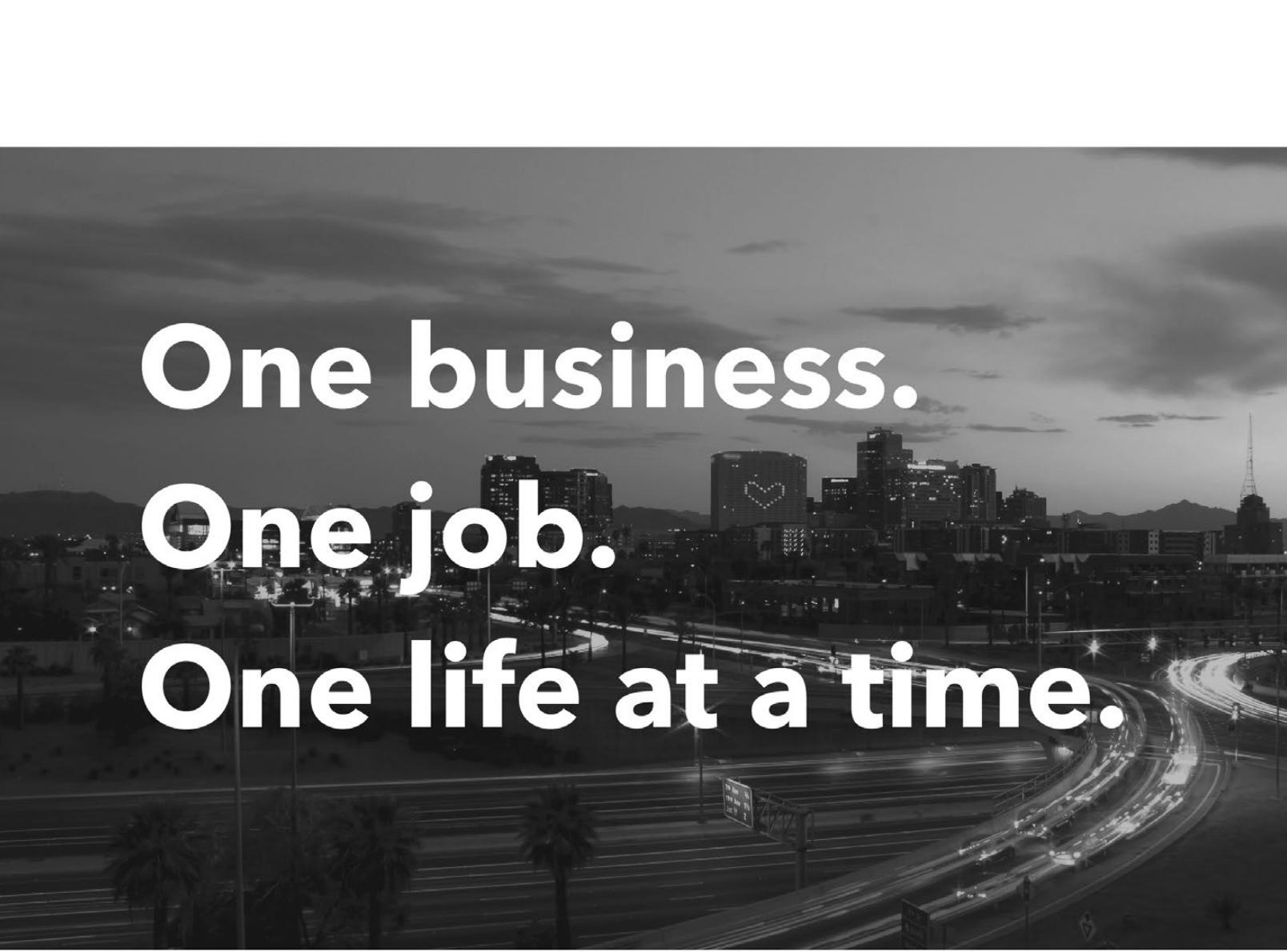
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